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LEGISLATIVE ISSUES

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February 17, 1972

MEMORANDUM

TO: Legislative Committee of the Iowa Development Commission

FROM: Marvin B. Lind, Director of Research

SUBJECT: Pros and Cons on Legislative Issues Relevant to the Iowa
Development Commission

At the last Commission meeting the pros and cons of the legislative issues in which the Iowa Development Commission is concerned were submitted to the members of the Commission. It was the Commission's desire that this material be provided to the legislative committees of the Iowa Development Commission.

The material as submitted does not in any way indicate support or non-support for the issues, but rather is an attempt to provide information which will assist the committee members in making a decision on the merits of the issues. Mr. Ernie Hayes, Chairman of the Iowa Development Commission, at a hearing before a joint Iowa Development Committee did indicate the Commission's position on a number of these issues.

If the Research Division of the Iowa Development Commission can be of further assistance on any of the issues included, we will be happy to do what we can.

LEGISLATIVE PROPOSALS
1972

Development Division
Iowa Development Commission

1. Corporate Income Tax

The Iowa Development Commission should go on record for recommending that no change be made in the single-factor computation for corporate income tax in the State of Iowa.

2. Chapter 364 -- Code of Iowa

A continuing effort should be made in order to change Chapter 364 to allow cities to contract for development services under this chapter. The chapter should also be changed to allow approval by City Council action rather than referendum.

3. Allow 14' 5" - Wide Movement of Mobile and Modular Homes

We recommend legislation allowing the movement of 14' 5" mobile homes and modular homes on designated Iowa highways, with the provision that said movements comply with all of the safety regulations and restrictions.

4. 65 ft. - Double Bottom Trucks

We endorse 65' double bottom movement by motor carriers in the State of Iowa to enhance the transportation and movement of our commodities, as well as the general economy of Iowa. This endorsement does not include increasing axle load weight.

5. Creation of a Department of Transportation -- D.O.T.

We recommend the creation of a Department of Transportation to encompass all forms of transportation.

6. Sales and Use Tax Exemption -- Capitalized Equipment

The Commission asks your consideration to exempt the sales and use tax on manufacturing machinery and equipment in order to place Iowa in a more competitive position in attracting new industry and encouraging expansion of existing industry.

7. Exempt Raw Materials Native to Iowa From Inventory Tax -- Code of Iowa, Chapter 428

We recommend the consideration of exempting native raw materials of Iowa from the Personal Property Tax.

8. Pollution Control Equipment

It was recommended by the Ames Conference participants that an exemption be allowed from property tax on pollution control equipment and/or allow quick write-off. This will serve as an incentive to expedite and encourage the installation of pollution control equipment.

9. Industrial Revenue Bonds -- Chapter 419

The Iowa Development Commission supports legislation to change Chapter 419 to allow financing of warehousing facilities, grain terminals and pollution control equipment including counties in addition to municipalities.

10. Revenue Bonding For Tourism and Recreational Facilities

The Commission supports legislation to establish revenue bonding for tourism and recreational facilities to remain competitive with the other states in developing and attracting tourism to the State of Iowa.

11. Community Improvement District Bill

For definition of the bill see explanation as cited at the end of Senate File 1062.

12. Warehousing

13. World Food Expo

Corporate Income Tax

House File 320 and Senate File 242 were submitted during the last session of the Legislature. This bill provides for the allocation of corporate income on the basis of sales, property, and payroll. This will change Iowa's present formula from a single factor formula to a three factor formula. Presently the bill is in the Ways and Means Committee.

Advantages of the Bill:

Arguments in favor of this bill are that it will provide more revenue for the state. However, if the tax becomes too severe industry will move out or not come in; consequently, there will be less to tax and less revenue.

Disadvantages:

Disadvantages are that plants located in Iowa under a three factor formula would be paying considerably more tax. The Iowa Manufacturers Association has gone on record as supporting the single factor formula as well as the Iowa Development Commission because it is thought that it would continue to encourage industry to establish in the state.

It is important that we survey corporations in Iowa to determine their attitude toward this formula so that we might have some evidence to support our position in the future.

FEB 25 1971

HOUSE FILE 320

Ways and Means

By RADL
(Hill)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the corporation income tax.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

3 Section 1. Section four hundred twenty-two point thirty-
4 three (422.33), Code 1971, is amended by striking subsections
5 one (1) and two (2) and inserting in lieu thereof the following
6 new subsections:

7 1. ALLOCATION OF BUSINESS INCOME. If the trade or business
8 of the taxpayer is carried on entirely within the state, the
9 tax shall be imposed on the entire net income. Any taxpayer
10 having income from business activity which is taxable both
11 within and without this state, other than the rendering of
12 purely personal services by an individual, shall allocate
13 and apportion his net income as provided in this section.

14 2. DEFINITIONS. As used in this section, unless the
15 context otherwise requires:

16 a. "Business income" means income arising from transactions
17 and activity in the regular course of the taxpayer's trade
18 or business and includes income from tangible and intangible
19 property if the acquisition, management, and disposition of
20 the property constitute integral parts of the taxpayer's
21 regular trade or business operations.

22 b. "Commercial domicile" means the principal place from
23 which the trade or business of the taxpayer is directed or
24 managed.

25 c. "Compensation" means wages, salaries, commissions,

1 and any other form of remuneration paid to employees for
2 personal services.

3 d. "Nonbusiness income" means all income other than
4 business income.

5 e. "Sales" means all gross receipts of the taxpayer not
6 allocated under subsections four (4) through eight (8) of
7 this section.

8 f. "State" means any state of the United States, the
9 District of Columbia, the Commonwealth of Puerto Rico, any
10 territory or possession of the United States, and any foreign
11 country or political subdivision thereof.

12 3. NONRESIDENT TAXPAYER. For purposes of allocation and
13 apportionment of income under this chapter, a taxpayer is
14 taxable in another state if:

15 a. In that state he is subject to a net income tax, a
16 franchise tax measured by net income, a franchise tax for
17 the privilege of doing business, or a corporate stock tax;
18 or

19 b. That state has jurisdiction to subject the taxpayer
20 to a net income tax regardless of whether, in fact, the state
21 does or does not.

22 4. ALLOCATION OF CERTAIN ITEMS. Rents and royalties from
23 real or tangible personal property, capital gains, interest,
24 dividends, or patent or copyright royalties, to the extent
25 that they constitute nonbusiness income, shall be allocated
26 as provided in subsections five (5) through eight (8) of this
27 section.

28 5. RENTS AND ROYALTIES.

29 a. Net rents and royalties from real property located
30 in this state are allocable to this state.

31 b. Net rents and royalties from tangible personal property
32 are allocable to this state:

33 (1) If and to the extent that the property is utilized
34 in this state; or

35 (2) In their entirety if the taxpayer's commercial domicile

1 is in this state and the taxpayer is not organized under the
2 laws of or taxable in the state in which the property is
3 utilized.

4 c. The extent of utilization of tangible personal property
5 in a state is determined by multiplying the rents and royalties
6 by a fraction, the numerator of which is the number of days
7 of physical location of the property in the state during the
8 rental or royalty period in the taxable year and the
9 denominator of which is the number of days of physical location
10 of the property everywhere during all rental or royalty periods
11 in the taxable year. If the physical location of the property
12 during the rental or royalty period is unknown or unascertain-
13 able by the taxpayer tangible personal property is utilized
14 in the state in which the property was located at the time
15 the rental or royalty payer obtained possession.

16 6. PROPERTY--CAPITAL GAINS AND LOSSES.

17 a. Capital gains and losses from sales of real property
18 located in this state are allocable to this state.

19 b. Capital gains and losses from sales of tangible personal
20 property are allocable to this state if:

21 (1) The property had a situs in this state at the time
22 of the sale; or

23 (2) The taxpayer's commercial domicile is in this state
24 and the taxpayer is not taxable in the state in which the
25 property had a situs.

26 c. Capital gains and losses from sales of intangible
27 personal property are allocable to this state if the taxpayer's
28 commercial domicile is in this state.

29 7. INTEREST AND DIVIDENDS. Interest and dividends are
30 allocable to this state if the taxpayer's commercial domicile
31 is in this state.

32 8. PATENTS AND COPYRIGHTS.

33 a. Patent and copyright royalties are allocable to this
34 state:

35 (1) If and to the extent that the patent or copyright

1 is utilized by the taxpayer in this state; or

2 (2) If and to the extent that the patent or copyright
3 is utilized by the taxpayer in a state in which the taxpayer
4 is not taxable and the taxpayer's commercial domicile is in
5 this state.

6 b. A patent is utilized in a state to the extent that
7 it is employed in production, fabrication, manufacturing,
8 or other processing in the state or to the extent that a
9 patented product is produced in the state. If the basis of
10 receipts from patent royalties does not permit allocation
11 to states or if the accounting procedures do not reflect
12 states of utilization, the patent is utilized in the state
13 in which the taxpayer's commercial domicile is located.

14 c. A copyright is utilized in a state to the extent that
15 printing or other publication originates in the state. If
16 the basis of receipts from copyright royalties does not permit
17 allocation to states or if the accounting procedures do not
18 reflect states of utilization, the copyright is utilized in
19 the state in which the taxpayer's commercial domicile is
20 located.

21 9. BUSINESS INCOME. All business income shall be appor-
22 tioned to this state by multiplying the income by a fraction,
23 the numerator of which is the property factor plus the pay-
24 roll factor plus the sales factor, and the denominator of
25 which is three.

26 10. PROPERTY FACTOR. The property factor is a fraction,
27 the numerator of which is the average value of the taxpayer's
28 real and tangible personal property owned or rented and used
29 in this state during the tax period and the denominator of
30 which is the average value of all the taxpayer's real and
31 tangible personal property owned or rented and used during
32 the tax period.

33 11. PROPERTY OWNED AND RENTED. Property owned by the
34 taxpayer is valued at its original cost. Property rented
35 by the taxpayer is valued at eight times the net annual rental

1 rate. Net annual rental rate is the annual rental rate paid
2 by the taxpayer less any annual rental rate received by the
3 taxpayer from subrentals.

4 12. AVERAGE VALUE OF PROPERTY. The average value of
5 property shall be determined by averaging the values at the
6 beginning and ending of the tax period but the director of
7 revenue may require the averaging of monthly values during
8 the tax period if reasonably required to reflect properly
9 the average value of the taxpayer's property.

10 13. PAYROLL FACTOR. The payroll factor is a fraction,
11 the numerator of which is the total amount paid in this state
12 during the tax period by the taxpayer for compensation, and
13 the denominator of which is the total compensation paid
14 everywhere during the tax period.

15 14. COMPENSATION. Compensation is paid in this state if:

16 a. The individual's service is performed entirely within
17 the state; or

18 b. The individual's service is performed both within and
19 without the state, but the service performed without the state
20 is incidental to the individual's service within the state;
21 or

22 c. Some of the service is performed in the state and:

23 (1) The base of operations or, if there is no base of
24 operations, the place from which the service is directed or
25 controlled is in the state; or

26 (2) The base of operations or the place from which the
27 service is directed or controlled is not in any state in which
28 some part of the service is performed, but the individual's
29 residence is in this state.

30 15. SALES FACTOR. The sales factor is a fraction, the
31 numerator of which is the total sales of the taxpayer in this
32 state during the tax period, and the denominator of which
33 is the total sales of the taxpayer everywhere during the tax
34 period.

35 16. LOCAL SALES OF TANGIBLE PERSONAL PROPERTY. Sales

1 of tangible personal property are in this state if:

2 a. The property is delivered or shipped to a purchaser,
3 other than the United States government, within this state
4 regardless of the f.o.b. point or other conditions of the
5 sale; or

6 b. The property is shipped from an office, store, ware-
7 house, factory, or other place of storage in this state and:

8 (1) The purchaser is the United States government; or

9 (2) The taxpayer is not taxable in the state of the purchaser.

10 17 OTHER SALES. Sales, other than sales of tangible
11 personal property, are in this state if:

12 (a) The income-producing activity is performed in this state; or

13 (b) The income-producing activity is performed both in
14 and outside this state and a greater proportion of the income-
15 producing activity is performed in this state than in any
16 other state, based on costs of performance.

17 18. ADDITIONAL METHODS OF DETERMINING BUSINESS SITUS.

18 The allocation and apportionment provisions of this section
19 do not fairly represent the extent of the taxpayer's business
20 activity in this state, the taxpayer may petition for or the
21 director of revenue may require, in respect to all or any
22 part of the taxpayer's business activity, if reasonable:

23 (a) Separate accounting except to a unitary business;

24 (b) The exclusion of any one or more of the factors;

25 (c) The inclusion of one or more additional factors which
26 will fairly represent the taxpayer's business activity in
27 this state; or

28 (d) The employment of any other method to effectuate an
29 equitable allocation and apportionment of the taxpayer's
30 income.

31 EXPLANATION

32 This bill provides for the allocation of corporate income
33 on the basis of sales, property, and payroll. This will
34 change Iowa's present formula from a single-factor formula
35 to a three-factor formula.

FILED FEB 17 1971

SENATE FILE 242

By HILL
(Radl)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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12 purely personal services by an individual, shall allocate
13 and apportion his net income as provided in this section.

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16 a. "Business income" means income arising from transactions
17 and activity in the regular course of the taxpayer's trade
18 or business and includes income from tangible and intangible
19 property if the acquisition, management, and disposition of
20 the property constitute integral parts of the taxpayer's
21 regular trade or business operations.

22 b. "Commercial domicile" means the principal place from
23 which the trade or business of the taxpayer is directed or
24 managed.

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1 and any other form of remuneration paid to employees for
2 personal services.

3 d. "Nonbusiness income" means all income other than
4 business income.

5 e. "Sales" means all gross receipts of the taxpayer not
6 allocated under subsections four (4) through eight (8) of
7 this section.

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9 District of Columbia, the Commonwealth of Puerto Rico, any
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19 b. That state has jurisdiction to subject the taxpayer
20 to a net income tax regardless of whether, in fact, the state
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22 of the sale; or

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25 property had a situs.

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27 personal property are allocable to this state if the taxpayer's
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35 by the taxpayer is valued at eight times the net annual rental

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18 b. The individual's service is performed both within and
19 without the state, but the service performed without the state
20 is incidental to the individual's service within the state;
21 or

22 c. Some of the service is performed in the state and:

23 (1) The base of operations or, if there is no base of
24 operations, the place from which the service is directed or
25 controlled is in the state; or

26 (2) The base of operations or the place from which the
27 service is directed or controlled is not in any state in which
28 some part of the service is performed, but the individual's
29 residence is in this state.

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34 period.

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1 of tangible personal property are in this state if:

2 a. The property is delivered or shipped to a purchaser,
3 other than the United States government, within this state
4 regardless of the f.o.b. point or other conditions of the
5 sale; or

6 b. The property is shipped from an office, store, ware-
7 house, factory, or other place of storage in this state and:

8 (1) The purchaser is the United States government; or

9 (2) The taxpayer is not taxable in the state of the purchaser.

10 17. OTHER SALES. Sales, other than sales of tangible
11 personal property, are in this state if:

12 (a) The income-producing activity is performed in this state; or

13 (b) The income-producing activity is performed both in
14 and outside this state and a greater proportion of the income-
15 producing activity is performed in this state than in any
16 other state, based on costs of performance.

17 18. ADDITIONAL METHODS OF DETERMINING BUSINESS SITUS.

18 The allocation and apportionment provisions of this section
19 do not fairly represent the extent of the taxpayer's business
20 activity in this state, the taxpayer may petition for or the
21 director of revenue may require, in respect to all or any
22 part of the taxpayer's business activity, if reasonable:

23 (a) Separate accounting except to a unitary business;

24 (b) The exclusion of any one or more of the factors;

25 (c) The inclusion of one or more additional factors which
26 will fairly represent the taxpayer's business activity in
27 this state; or

28 (d) The employment of any other method to effectuate an
29 equitable allocation and apportionment of the taxpayer's
30 income.

31 EXPLANATION

32 This bill provides for the allocation of corporate income
33 on the basis of sales, property, and payroll. This will
34 change Iowa's present formula from a single-factor formula
35 to a three-factor formula.

HF 376, to allow cities to contract with public or private agencies to promote economic development if property taxes aren't used. The change from existing law appears to be 1) to allow the cities' Department of Publicity, Development, and General Welfare to use certain tax monies for development activities and 2) to allow this department to contract with public or private agencies to promote economic development.

Status: Passed the House and was in the Iowa Development Committee of the Senate when the 1971 session adjourned.

Arguments:

Revenue bonds do provide financial help for land, buildings and equipment; however, communities also need financial help compiling fact files, advertising and promotion, research projects of a local nature and other development oriented activities.

The local communities' increased contribution and involvement would favorably benefit Iowa's total economic growth.

Opponents feel that this bill would favor the big cities, that taxes are already too high and new avenues of spending aren't needed, and that it's special interest legislation. Proponents argue that certain local tax monies for local economic development is fair because all local inhabitants benefit and local residents decide the use of their tax dollars.

Opponents believe that each city will go its own separate way and that coordination experienced in past years would be lost. Proponents believe that a greater total effort will result and under I. D. C. leadership city activities would be coordinated.

There is some question whether a city department could maintain secrecy while dealing with industrial prospects. If they could not, then effectiveness would be seriously hampered.

Apparently the communities of Iowa are not too excited about this bill. Very little has been heard from the local Chambers of Commerce, Development Agencies, or other local government groups and no local effort has been made to promote passage.

MAR 5 1971

HOUSE FILE 376

PLATE ON CALENDAR

By COMMITTEE ON IOWA
DEVELOPMENT

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the economic development activities by
2 cities.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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Section 1. Section three hundred sixty-four point two (364.2), Code 1971, is amended as follows:

364.2 OBJECTS. Said department shall be for the purpose of collecting and distributing, by correspondence, advertising, and other means, information relating to the industrial, commercial, manufacturing, residential, educational, and other advantages and resources of such city; and for the purpose of encouraging and promoting the establishment and development of industries and manufacturing, commercial, and other interests in such cities and the increase of population thereof; and for the purpose of investigating, promoting, and doing such things as may be for the general welfare of such city and the inhabitants thereof; provided, however, nothing in this chapter shall be construed as authorizing cities to invest any funds raised by taxation in private enterprises or to pay from such funds any bonuses for same. The duties of the superintendent and other employees of said department shall be such as may be prescribed from time to time by the city council, and they shall be at all times under the supervision and control of the mayor in performing said duties. The department may contract with any public or private agency or person to promote the economic development of the city as provided in this section.

Sec. 2. Section three hundred sixty-four point four (364.4), Code 1971, is amended as follows:

364.4 EXPENSES--FUNDS AVAILABLE. The expenses of said the department may be defrayed out-of from any ~~and-all~~ funds received by ~~such the~~ city ~~from-fines-and-penalties-and-out-of~~ any-funds-that-may-be-in-the-treasury-of-said-city, not except those funds derived from general-taxation the taxation of property ~~nor or~~ from special taxes levied for other purposes.

EXPLANATION

This bill allows cities to contract with private and public agencies to help promote economic development. It allows cities to use any funds available other than those derived from property taxation to finance economic development activities.

1 Chapter 364 will be repealed by the proposed municipal code
2 revision. However, the repeal will not be effective for two
3 years. In the meantime, this bill will assure that cities
4 and towns may use funds for economic development.
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LSB 942

1. HF-48, to allow movement of 12' to 14'5" wide mobile homes.

Status: Passed both houses and was under motion to reconsider in the Senate when the '71 legislature adjourned.

Arguments for:

The Iowa Highway Commission has the authority to allow movement of 14' wide mobile homes so that all Iowa markets are served; however, the present 150 mile limitation they impose has created inequalities. The following example explains:

A mobile home manufacturer located near the Minnesota border wishing to sell a 14' wide unit in Des Moines acquires a 50 mile permit from the Highway Commission and moves the unit to around Belmond. On the following day, legal title changes and a second permit allows another 50 mile move to be made in the dealer's name. On the third day legal title changes to the retail customer and still another 50 mile permit allows the final move to approximately the north edge of Des Moines.

This regulatory system creates excessive costs in both public and private paper work, requires sales tax to be paid each time the title is transferred, and creates marketing inequities. Some Iowa shoppers may see a 14' wide display model if their dealer is located within 100 miles (2 permits) of their supplier-manufacturer, while other Iowa shoppers who live where dealers cannot legally acquire a 14' wide unit must either buy "sight unseen" or travel some distance to view a 14' wide. Some dealers "moonlight" or move 14' wides illegally in order to serve their customers and in the example above some cheating would be required if the unit were destined for southern Des Moines, Norwalk, or some other location just beyond the 150 mile limit. A dealer who has a manufacturing source less than 100 miles away is placed in a better competitive position than another whose source of mobile homes is beyond the 2 permit distance because one may display 14' wide units while the other cannot. This discriminatory restriction of trade has legal implications which will be explored if the problem isn't solved by passing the 14' wide bill this year. Mr. Paul Romas, Executive Director of the Mobile Housing Institute, has stated that he prefers uniform conditions for all customers and dealers even if it means absolutely no 14' wide movement within Iowa borders.

14' wide mobile homes have been cited as a road safety hazard. If wind velocity and the type of hitch used were knowledgeably regulated, movement of 14' wide units could actually be more safe than the present movement of 12' wides

under current regulations. Safety certainly isn't enhanced by restricting 14' wides to three 50 mile moves when four 50 mile moves would allow all Iowa dealers equal access to manufacturing sources.

Nebraska and Minnesota have adopted 14' wide movement, not through legislative action, but through their Highway Commission. Most states bordering Iowa allow 14' wide movement. (See the maps attached.)

Under present regulatory procedures, if Winnebago industries in Forest City wishes to market 14' wide modular or mobile units in northern Missouri they would have to ship via Minnesota - South Dakota - Nebraska - Missouri. This not only imposes a competitive restriction in excessive transportation costs upon our existing Iowa manufacturers, it also imposes an inhibiting influence upon possible future plant developments in this fast growing industry.

Cardnell Craft has stated that if they cannot serve the demand for 14' wide units from their Iowa plant they will move their facilities elsewhere.

A 12' wide mobile home provides low cost housing as does a 14' wide, although there is more comfort and space for the dollar in the 14' wide. In addition, one segment of our population that has a particular need for low cost housing is the physically handicapped Iowan, and a 14' wide unit is needed so that halls and doorways will be wide enough to accomodate wheel chairs.

Contrary to general belief, a 14' wide unit does not encroach on the center line of a 24 foot highway because three feet of width air-rides over the shoulder, providing one foot of leeway clearance. The attached photographs illustrate that two 14' wide units can pass with room to spare even on 20' pavement.

Rail service is not available to all Iowa housing sites, and railroads may have clearance problems when bridges etc. are too narrow. Much of the trackage in Iowa is obsolete or poorly serviced and many derailments and accidents result. Rail cannot fill all the transportation needs to within 50 miles of the final site. The amount of damage due to rough handling, bouncing, joining cars etc. is another reason for preferring not to use rail.

Mr. Paul Romas has stated that there are sufficient Senate votes (26) to repass the 14' wide bill; however, it may not get the opportunity for reconsideration if it is not brought out of committee.

The State Department of Public Safety is not concerned about safety regarding 14' wide movement on Iowa highways.

Iowa is the only state that limits the movement of 14' wide mobile homes to 50 miles. A legal "loophole" presently increases this limitation to 150 miles or three 50 mile/days by the issuance of 3 permits.

All mobile and modular units must be delivered at least part way by truck. Shipping by rail, then transferring to trucks, is generally more costly. HUD states that some 40,000 modular units were delivered by truck in 1971, yet by 1978 trucks could be delivering 50,000 units every week. Within 10 years the only people who will be able to afford a site-built (as opposed to a factory built) home will be the very rich. HUD recommends a nation wide system of routes, permits and regulations so that future housing needs may be economically met.

The Development Division has had numerous contacts from mobile and modular manufacturing companies, and the concensus is that the chances for industrial development are slim. The state is in a very poor competitive position, being surrounded by states that allow 14' wide movement.

Many of the arguments that oppose 14' wide movement are practical and realistic; however, they don't make sense in light of the fact that movement is presently allowed in Iowa. As a matter of fact, units up to 40 feet wide may be moved specified distances. If the Highway Commission would regulate movement so that everyone is treated equitably and practical safety rules were applied, there would be no 14' wide controversy.

Arguments against:

The 50 mile distance restriction helps keep the accidents involving oversized vehicles to a minimum.

The Highway Commission is opposed to the 14' wide bill because the wind hazard is not considered. Allowing states such as Minnesota and Kansas restrict movement if the wind exceeds 20 mph.

The 14' wide bill is discriminatory. If wider homes are allowed unlimited travel why not oversized construction vehicles, commercial trucks, etc.?

A 14'5" wide mobile home is 2 feet wider than one lane of traffic on Iowa's widest primary highways and would encroach well into an oncoming car's lane on many of the bridges and roads in the state.

Large mobile homes can be shipped by rail or manufactured as smaller units and assembled on the site. Most parts of Iowa are within 50 miles of rail service.

This is special interest legislation of benefit only to the mobile home manufacturers.

Many Iowa roads are still "winding, narrow cowpaths" according to Rep. John Mendenhall, and meeting a wide mobile home would leave the motorist only 3 1/2 feet of highway. One highway from Waukon to Lansing includes 12 miles of no passing zone where an oversize vehicle would tie up traffic for hours.

The width limit for mobile homes was increased only 5 years ago as a favor to the industry, now they're back again.

JAN 13 1971
TRANSPORTATION

HOUSE FILE 72

By SCHROEDER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the movement of oversized mobile homes
2 and vehicles.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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Section 1. Section three hundred twenty-one E point three (321E.3), Code 1971, is amended as follows:

321E.3 ESCORTS FOR MOVEMENT--DISTANCE SCHEDULES. All movements of mobile homes and other vehicles the width of which, including any load, exceeds the roadway lane width of the highway or street being traversed, shall be under escort. Permits for the movement of other motor vehicles with indivisible loads exceeding twelve feet five inches in width ~~ex-mobile-homes-of widths-including-appurtenances-exceeding-twelve-feet-five-inches~~ shall be restricted to maximum trip distances in accordance with the following schedule:

SCHEDULE OF OVER-WIDTH MOVEMENT DISTANCES FOR PAVEMENT WIDTHS OF 24 FEET OR MORE WITH TRAFFIC OF 4,000 OR MORE VEHICLES PER DAY

Load	Distance
Width (ft.)	(Miles)
13	50
14	50
15	41
16	32
17	23
18	15
19	10
20	8
21	7
22	6 1/4
23	5 1/2
24	5
25	4 1/2
26	4
27	3 3/4
28	3 1/2
29	3 1/4
30	3
31	2 3/4
32	2 1/2

1	33	2 1/4
2	34	2
3	35	1 3/4
4	36	1 1/2
5	37	1 1/4
6	38	1
7	39	3/4
8	40	1/2
9	Over 40	Not allowed

10 Any mobile home exceeding twelve feet five inches in width
 11 and not exceeding fourteen feet five inches may be moved on the
 12 highways of this state upon filing of an application for and re-
 13 ceiving a single trip permit. Any mobile home exceeding four-
 14 teen feet five inches in width shall be restricted to maximum
 15 trip distances in accordance with the above schedule.

16 Sec. 2. Section three hundred twenty-one E point eight
 17 (321E.8), subsection one (1), Code 1971, is amended as follows:
 18 1. Vehicles with indivisible loads having an over-all width
 19 not to exceed twelve feet, five inches or mobile homes includ-
 20 ing appurtenances not to exceed twelve feet, five inches and
 21 an over-all length not to exceed ~~seventy feet, zero inches~~
 22 eighty-five feet, including the power unit, may be moved for
 23 unlimited distances. The vehicle and load shall not exceed the
 24 height of thirteen feet, ten inches and the total gross weight
 25 as prescribed in section 321.463.

26 Sec. 3. Section three hundred twenty-one E point nine
 27 (321E.9), subsection one (1), Code 1971, is amended as follows:
 28 1. Vehicles with indivisible loads having an over-all width
 29 not to exceed twelve feet, five inches or mobile homes includ-
 30 ing appurtenances not to exceed twelve feet, five inches and
 31 an over-all length not to exceed ~~eighty feet, zero inches~~
 32 eighty-five feet, including the power unit, may be moved for
 33 unlimited distances. No mobile home may be moved under the
 34 provisions of this subsection if the actual mobile home unit
 35 exceeds ~~sixty-eight feet in length~~ seventy feet in length, not in-

1 cluding any area occupied by a hitching device. No unit moved
2 under the provisions of this subsection shall exceed the height
3 as prescribed in section 321.456 and the total gross weight as
4 prescribed in section 321.463.

5 EXPLANATION

6 This bill provides for the movement of mobile homes exceed-
7 ing twelve feet five inches and not exceeding fourteen feet
8 five inches on the highways of this state upon receipt of a
9 single trip permit from the Department of Public Safety. The
10 bill also provides that mobile homes not exceeding twelve feet
11 five inches in width and eighty-five feet in length, including
12 the power unit may be moved for unlimited distances. Mobile
13 homes exceeding seventy feet in length, not including any area
14 occupied by a hitching device, are prohibited from moving on
15 the highways of this state.

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65' Double Bottom Trucks

Legislative Analysis:

Senate File 446 would provide for sixty-five foot twin trailer lengths in Iowa. As presently constituted the bill would authorize such truck trailer operations on Interstate and four lane highways, and to and from points within five miles, on the most direct route of any four lane highway for the purpose of servicing the vehicle or picking up or delivering cargo. The bill amends Section 321.457, subsection 6, Code of Iowa 1971.

Present Iowa law authorizes such vehicles sixty (60') feet in length in unrestricted movement on Iowa's highways. This length for combinations was enacted in 1963 by the 60th General Assembly.

Operating Analysis: Advantages

1. Fifty four (54') feet of loading space.
2. A smaller "trailer load" dimension, encouraging bulk shipments at lower unit cost.
3. A smaller unit load between specific, smaller terminals....reducing the penalty of partial loads to maintain schedules.
4. The flexibility of loading each trailer at different points, combining for the long haul, and splitting again to separate destinations. With 955 cities and towns in Iowa improved service can be rendered to hundreds of smaller communities.
5. Each trailer, coupled with a light city tractor, forms an ideal peddle run, for example to smaller communities or city pickup and delivery unit.... encouraging nose loading of larger shipments for direct delivery to final destination. This also means a tractor with a 27' unit operating efficiently and economically on city and large urban area streets as compared with a tractor with a 40' to 45' trailer with less than truckload. Improved maneuverability in cities.
6. Far better tracking than a forty five foot semi.
7. Easier, faster loading -- no point more than 27 feet from dock.
8. Sixty-five foot twins are practical and efficient for every state.
9. Safety. Official records of the Iowa Department of Public Safety show that with sixty foot units in operation there were only four accidents

in 1969 and five in 1970 involving these units. Twin trailer combinations have operated billions of miles in many states of our nation and are maintaining equal or better safety records than conventional units.

10. Passing Time. Official Commerce Department figures show it takes 2/3rds of a second longer to pass a sixty-five foot combination than to pass a standard fifty-five foot combination commonly used in Iowa today, with a 10 mile differential in speed between the passing vehicle and the truck. Obviously it would take less than half a second more to pass a 65-foot unit than a 60-foot unit currently being used, assuming the same 10-mile differential.
11. Stopping Ability. Stopping ability of twin trailers is similar to that of the tractor semi-trailer unit. Both the 55-foot tractor semi-trailer and the 65-foot twin trailer in common use today incorporate five axles and have, therefore, equal brake potential. Depending on the tractor used for the tractor semi-trailer unit, twins have equal or slightly greater total brake capacity.
12. Summary of Advantages: Twin trailer combinations have many operating advantages over tractor semi-trailer combinations. Among these are: more maneuverable - turn better; better weight distribution; no increase in axle weight limits or in gross vehicle weight limits; greater flexibility in operations; improved peddle run or city pickup and delivery operation; improved urban operations in traffic; greater economy through increased cubic foot capacity gained with two 27' trailers; excellent safety record in billions of miles of operation in many of our states.
13. Approved by Many Groups: Sixty five foot twin trailers have been approved for highway operation by the American Association of State Highway Officials, the U. S. Bureau of Public Roads, the staff of the Iowa State Highway Commission, the Iowa Development Commission, the Iowa Industrial Traffic League, the Greater Des Moines Chamber of Commerce, the Iowa Association of Truck Stop Operators, and the Iowa Good Roads Association are among groups who have voiced support for sixty-five foot twin trailers for Iowa. The proposed legislation is in all respects more restrictive than necessary to meet the recommendations as proposed by any group named. Among these groups are those who would recommend unrestricted movement such as members of the staff of the Iowa Highway Commission.

Disadvantages:

1. Press coverage has not been as favorable as it has been unfavorable. The Muscatine Journal, formerly opposed, switched its position to support following study of all the facts by the editor. Spencer newspaper has also supported the proposal for the economic benefits that would accrue to Iowa, for example. One organization, AAA Motor Club of Iowa, has opposed the sixty-five foot combinations, presumably for "safety" reasons. Attitudes appear to be reflected rather than facts by press and some individuals.

2. In a survey initiated by the Research Division of the Iowa Development Commission last year of manufacturers throughout the state, there was little response to indicate that the transportation departments of Iowa industry are vitally concerned as to the need for 65' double bottoms.
3. Public sentiment is not generally in favor of large trucks, whether it be straight trucks or multiple hitch trucks.

General Comment:

Transportation is one of the most vital factors affecting the ability of our manufacturers and producers to compete in the important markets of the nation. Twin trailers can lower costs of transportation and can forestall the need for rate increases as operating costs of motor truck transportation increase. They are needed to stabilize transportation costs and to permit Iowa business and industry shippers and receivers to be competitive in transportation with business and industry of other states.

Only as the transportation industry of Iowa continues to progress can the economy of the state likewise continue to grow and prosper. Iowa will be brought in line in motor vehicle combinations of sixty-five feet with twenty-eight other states. Five additional states permit twin trailers of lesser length than sixty-five feet, including Iowa. Combinations of greater lengths are permitted on the toll roads of six states. Iowa is the only state in Interstate 80 from the Pennsylvania line to the west coast through which sixty-five foot twin trailer combinations cannot operate. This five foot difference acts as a barrier to efficient through, as well as intrastate, transportation for Iowa based and nationwide companies with terminals in Iowa.

Feel Ban on 65-Foot Trucks

R.M. Reg. Sunday
Nov. 14, 1971

Cost Leon a New Industry

By a Staff Writer

LEON, IA. — Businessmen here claim the state's ban on 65-foot trucks has cost the town a \$300,000-a-year payroll.

The payroll is one Leon would have had if a new plant had been built here by Morgan Portable Building Corp of Dallas, Tex.

But the plant is to be built in Missouri instead, because that state allows 65-foot trucks and Iowa doesn't.

"Leon, Ia., looked perfect to us until we found out about your truck law," said Guy Morgan, president of the Texas firm, in a telephone interview.

Iowa law limits trucks to 55 feet in length, except for 60-foot car transports and "double bottoms."

Other states — such as Missouri and Arkansas — allow 60 and even 65-foot trucks, explained Morgan.

He said his firm manufactures small offices, construction sheds and frame buildings and sells them throughout the southern midwest.

Using 55-foot trucks instead of 65-footers would mean "hauling one less building in

each truck-load," said Morgan.

"Transportation is one of the biggest costs in our business; we just couldn't afford that.

"We must rule out any plant location in the state of Iowa because of the highway regulations for transporting our product to market."

Praises Commission

Morgan praised the efforts of the Leon Industrial Development and the Iowa Development Commission in helping his firm seek plant sites in Iowa.

The labor supply in the Leon area, the proximity to markets and the Interstate Highway system were all mentioned by Morgan, who said Leon "seemed to be the very best place for us to locate."

Construction of the Morgan plant in Leon would have meant an annual payroll of more than \$300,000 and 30 to 60 new jobs for the Decatur County town of 2,100.

"People here are extremely upset about this," said Ward Kilgore, executive vice-president of Decatur County State Bank, and president of Leon Industrial Development, an arm of the Chamber of Commerce.

"This is the second time we've lost an industry because of a state law, and we don't like it," he said. Two years ago a farm equipment maker, with 100 employees,

chose Bethany, Mo., over Leon because Missouri's industrial bonding law was more attractive than Iowa's.

"If this long truck thing is so wrong, why are all these other states doing it?" asked Kilgore.

"It's a little like the mother watching the soldiers march by — they're all out of step but my son. Now all the other states are out of step but Iowa.

"The thing that really gets us is that we're willing to go all out to get industry, but is the state willing to go all out?"

Not the First

Iowa Development Commission officials say this is not the first industry the state has lost because of its truck laws.

The Development Commission has supported the Iowa Motor Truck Association, which has been trying for several years to get the Legislature to increase the maximum truck length.

Harley Thornton, of the Development Commission who worked with Leon officials in attempting to bring the Texas firm to Iowa, said the town of Atlantic lost two trucking operations because of the 55-foot limit.

He said Consolidated Freightways, which is building a new terminal in Des Moines, considered putting a relay station at Atlantic, but instead located it in Missouri.

Consolidated Freightways

also discussed headquartering some of its drivers in Atlantic, but instead built that facility in Nebraska, because of Iowa's truck laws.

The Iowa Legislature repeatedly has refused to change the state's law to permit longer trucks on the state's highways, despite concentrated efforts of the powerful truck lobby.

The truckers, who lost their effort to change the law during the last session of the Legislature already are planning to try again next year.

Rising Costs

The long truck issue has centered on the controversial 65-foot "double bottoms" bill.

The truckers point out that all the states west of Iowa allow 65-foot trucks, complaining that Iowa is a "bottleneck" to trucks headed east.

And they say the rising costs of truck freight could be slowed if truckers could use longer, more efficient trucks.

Opponents of the measure contend it is special interest legislation that would benefit only truckers, to the detriment of other motorists.

The long truck foes contend the bigger vehicles would be dangerous on the highways, difficult to maneuver on narrow streets, and difficult for other drivers to pass.





RUAN

TRANSPORT CORPORATION

GENERAL OFFICES / KEOSAUQUA AT THIRD / DES MOINES, IOWA 50309

November 29, 1971

Mr. Chad Wymer, Director
Iowa Development Commission
250 Jewett Building
Des Moines, Iowa

Dear Chad:

I'm certainly please to have the Iowa Development Commission give its support to the trucking industry in its effort to obtain the 65' lenth bill. There is little question but that Iowa must be competitive in all areas with other states if it's to lure industry to locate within its borders. It certainly is inconsistent for the legislature on one hand to create such a body and then fail to implement its activities by not fostering a sound transportation policy, particularly in the area of modernizing truck size and weight standards. This failure to a degree is understandable since some members of our industry do create unfavorable publicity; however, this situation is blown all out of proportion by the news media and I don't believe the average legislator has the time to be an expert and become properly informed and the news media certainly is unduly influential.

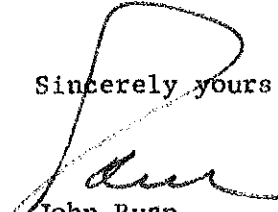
The trucking industry is not all bad and as a matter of fact the survey conducted by the Midwest Research Institute of Kansas City the firm employed by the Highway Commission would indicate that 90% or better of the trucking industry operates within the law.

Not only is increased length desirable, but weight as well. They both have a substantial bearing on the rates depending on what kind of a commodity you are shipping. I believe our industry is in a position to prove satisfactorily that the longer units are not a safety hazard and that increased weights are not detrimental to the highways and bridges of the state. As a matter of fact, both AASHO and the Federal Bureau of Roads recommend far greater loads with suitable axle spacings than we are now permitted to obtain under current State or Federal regulation.

Our industry would welcome an opportunity to discuss this subject with you and other members of the Iowa Development Commission.

Best personal regards.

Sincerely yours,


John Ruan

cc: Dick Hileman

TELEPHONE 283-2231 / AREA CODE 515

FILED APR 1 1971

SENATE FILE **446**

By COMMITTEE ON TRANSPORTATION

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the overall length of combinations of
2 vehicles.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4 Section 1. Section three hundred twenty-one point four
5 hundred fifty-seven (321.457), subsection six (6), Code 1971,
6 is amended as follows:

7 6. No combination of three vehicles coupled together one
8 of which is a motor vehicle, unladen or with load, shall have
9 an ~~ever-all~~ overall length, inclusive of front and rear bumpers
10 in excess of sixty-five feet.

11 A combination of three vehicles in excess of sixty feet but
12 not in excess of sixty-five feet may be operated only as
13 follows:

14 1. With a special length permit issued by the Iowa
15 reciprocity board, and

16 2. On four-lane highways and to and from points within
17 five miles, on the most direct route, of any four-lane highway
18 for the purpose of servicing the vehicle or picking up or
19 delivering cargo.

20 EXPLANATION

21 This bill provides that combinations of vehicles may be
22 65 feet in length but must be operated on four-lane highways
23 with permits issued by the Iowa reciprocity board.

24
25

LSB 1040.1
DH/CS

Creation of a Department of Transportation

There are two primary studies that have been made relating to a State Department of Transportation. One is entitled "Transportation in Iowa -- A Review of Key Policies" by Baxter, McDonald and Company, Berkeley, California (2 volumes). Another study prepared for the Office of Planning and Programming is entitled "Iowa Department of Transportation -- A Design for Growth". These studies are available for review in my office.

At the present time nineteen other states do have State Departments of Transportation. Governor Ray has recommended to the legislature that a Department of Transportation be considered during this session.

In reviewing the materials referring to such a department, the following capabilities are suggested:

- Develop responsible comprehensive state transportation policies.

- Develop statewide multi-modal transportation master plans.

- Analyze and respond to the future public and private transportation system needs for Iowa.

- Identify the financial requirements for achieving state transportation goals.

- Responsibly allocate state funds for integrated multi-modal transportation service development.

- Develop those public transport systems under the direct responsibility of the state.

- Promote the development of public transport systems not directly within the responsibility of the state.

- Promote the planning, development, and operation of private transport systems vital to the state's transportation goals.

- Creatively examine the potential for "new" institutional formats for public and private cooperation in the development of grain distribution systems.

- Respond creatively to federal legislation in modal, multi-modal, revenue sharing, and regulatory areas.

The latest action on the Department of Transportation Bill was that it was referred by the House to the Appropriations Committee.

SENATE CONCURRENT RESOLUTION 25

By Committee on Iowa Development

Whereas, the enforcement of laws relating to motor vehicles and railway, air, and water transportation is presently vested in many state departments; and

Whereas, an efficient public and private transportation system requires coordination of efforts and consideration of all modes of transportation; and

Whereas, the federal government and several other states have established departments of transportation embracing the many phases of the public and private transportation industry to coordinate transportation regulation; and

Whereas, several studies have recommended that the state of Iowa establish a department of transportation; and

Whereas, the Governmental Reorganization Study Committee which during the 1970 interim was assigned the study of the feasibility of establishing

a department of transportation but was unable to undertake this study because of a lack of time; and

Whereas, legislation designed to create a department of transportation would necessarily be complex and include the amendment of statutes relating to all state departments and agencies charged with the responsibility of providing for and regulating all modes of transportation; and

Whereas, with the many issues facing the first session of the Sixty-fourth General Assembly there may not be time for both staff and legislators to adequately develop and study such proposed legislation, *Now Therefore*,

Be It Resolved by the Senate, the House Concurring, That the legislative council is authorized to create a study committee which membership shall include legislative members of the appropriate standing committees and nonlegislative members knowledgeable in the various areas of transportation to conduct during the 1971 legislative interim a comprehensive study relating to the feasibility of establishing a department of transportation encompassing the administration and regulation of motor vehicles, railway, air, and water transportation, and related functions; and

Be It Further Resolved, That the study committee shall make periodic reports to the legislative council and shall submit a final report, including necessary bill drafts to implement recommendations, to the legislative council. Copies of the report and proposed bill drafts approved by the legislative council shall be submitted to members of the General Assembly meeting in the year 1972.

DEPARTMENT OF TRANSPORTATION STUDY COMMITTEE (S.C.R. 25)

12 legislative members

6 citizen members

Representative Richard F. Drake, Chairman

Senator John M. Walsh, Vice Chairman

Senator Leigh R. Curran

Senator Lucas J. DeKoster

Senator Eugene M. Hill

Senator Charles P. Miller

Senator John C. Rhodes

Representative Vernon N. Bennett

Representative Dewey E. Goode

Representative John N. Nystrom

Representative Lloyd F. Schmeiser

Representative Ivor Stanley

Captain Art Bull

Kenneth Frazier

Mrs. Nadean Hamilton

Frank E. Horton

Ralph Kirk

Richard J. Petska

SENATE FILE _____

By COMMITTEE ON TRANSPORTATION
(Committee on Transportation)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to create a state department of transportation and to
2 make an appropriation therefor.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. PUBLIC POLICY. It is the public policy of
2 this state that the general welfare, economic growth, job
3 mobility, convenience, stability, and well-being of the
4 citizens of the state can best be served by a coordinated
5 transportation policy to assure adequate, safe, and efficient
6 transportation facilities and services.

7

8 Sec. 2. DEFINITIONS. When used in this Act, unless the
9 context otherwise requires:

10 1. "Director" means the director of transportation or
11 his designee.

12 2. "Department" means the department of transportation.

13 3. "Commission" means the transportation commission.

14 Sec. 3. DEPARTMENT OF TRANSPORTATION. There is created
15 a department of transportation which shall be responsible
16 for the planning, development, maintenance, and improvement
17 of transportation in the state as provided by law.

18 Sec. 4. TRANSPORTATION COMMISSION. There is created a
19 transportation commission which shall consist of seven members,
20 not more than four of whom shall be from the same political
21 party. The governor shall appoint the members of the commis-
22 sion for a term of four years, subject to the confirmation
23 of the senate. However, of the members first appointed, one
24 member shall be appointed for a term of one year commencing
25 July 1, 1972 and ending June 30, 1973, two members shall be
26 appointed for a term of two years commencing July 1, 1972
27 and ending June 30, 1974, two members shall be appointed for
28 a term of three years commencing July 1, 1972 and ending June
29 30, 1975, and two members shall be appointed for a term of
30 four years commencing July 1, 1972 and ending June 30, 1976.

31 Notwithstanding the provisions of any other laws, the
32 governor may appoint any person serving as a member of the
33 Iowa state highway commission or the aeronautics commission
34 as of July 1, 1972 to the transportation commission and any
35 such person appointed may serve simultaneously on the trans-

1 portation commission and the Iowa state highway commission
2 or the aeronautics commission. The term of office of all
3 highway commissioners and aeronautics commissioners shall
4 expire June 30, 1973.

5 Sec. 5. VACANCIES. Any vacancy on the commission which
6 may occur when the general assembly is not in session shall
7 be filled by appointment by the governor, which appointment
8 shall expire at the end of thirty days following the convening
9 of the next session of the general assembly. Prior to the
10 expiration of the thirty-day period, the governor shall
11 transmit to the senate for its approval and appointment for
12 the unexpired portion of the regular term. Any vacancy occur-
13 ring when the general assembly is in session shall be filled
14 in the same manner as regular appointments are made, and
15 before the end of such session, and for the unexpired portion
16 of the regular term.

17 Sec. 6. COMPENSATION. Each member of the commission shall
18 receive a salary as fixed by the general assembly.

19 However, for the fiscal year commencing July 1, 1972 and
20 ending June 30, 1973, members of the transportation commis-
21 sion, except as provided in this section, shall receive no
22 salary, but shall receive all expenses actually incurred in
23 the performance of their official duties. Members of the
24 transportation commission serving simultaneously as members
25 of the Iowa state highway commission or the aeronautics
26 commission shall receive the salary or per diem provided by
27 law for such persons for the fiscal year commencing July 1,
28 1972 and ending June 30, 1973.

29 Sec. 7. COMMISSION MEETINGS. The commission shall meet
30 on July first of each year or as soon thereafter as possible
31 for the purpose of selecting one of its members as chairman,
32 which member shall serve as chairman for the succeeding year.
33 The commission shall otherwise meet at the call of the chair-
34 man or when any four members of the commission file a written
35 request for a meeting with the chairman. Written notice of

1 the time and place of each meeting shall be given to each
2 member of the commission. A majority of the commission members
3 shall constitute a quorum.

4 Sec. 8. EXPENSES. Members of the commission, the director,
5 and other employees of the department shall be allowed their
6 actual and necessary expenses incurred in the performance
7 of the business of the department. All expenses and salaries
8 shall be paid from appropriations for such purposes and the
9 department shall be subject to the budget requirements of
10 chapter eight (8) of the Code.

11 Sec. 9. REMOVAL FROM OFFICE. Any member of the commission
12 may be removed for any of the causes and in the manner provided
13 in chapter sixty-six (66) of the Code and such removal shall
14 not be in lieu of any other punishment that may be prescribed
15 by the laws of this state.

16 Sec. 10. DUTIES. The commission shall:

17 1. Carry out the policy-making duties assigned to the
18 Iowa state highway commission pursuant to section three hundred
19 seven point five (307.5) of the Code, effective July 1, 1973.

20 2. Carry out the policy-making duties assigned to the
21 aeronautics commission pursuant to section three hundred
22 twenty-eight point twelve (328.12) of the Code, effective
23 July 1, 1973.

24 3. Develop and coordinate a comprehensive transportation
25 policy and plan for the state not later than July 1, 1975,
26 to be submitted to the governor and the general assembly,
27 and to update the transportation policy and plan annually.

28 4. Promote the coordinated and efficient use of all avail-
29 able modes of transportation for the benefit of the state
30 and its citizens.

31 5. Identify the needs of urban and regional transportation
32 facilities and services in the state and develop programs
33 appropriate to meet these needs.

34 6. Identify methods of improving transportation safety
35 in the state and develop programs appropriate to meet these

1 needs.

2 7. Adopt rules and regulations in accordance with the
3 provisions of chapter seventeen A (17A) of the Code as it
4 may deem necessary to transact its business and for the
5 administration and exercise of its powers and duties.

6 8. Approve the budget of the department as prepared by
7 the director, prior to submission of the budget to the governor
8 and the general assembly.

9 9. Approve the creation of any new divisions or reorgani-
10 zation of any existing divisions within the department.

11 Sec. 11. DIRECTOR OF TRANSPORTATION--QUALIFICATIONS--SALARY.

12 The commission shall appoint a director of transportation
13 who shall serve at the pleasure of the commission and who
14 shall in no event be a member of the commission. The director
15 shall not hold any other office under the laws of the United
16 States or of this or any other state or hold any other position
17 for profit. The director shall not engage in any occupation,
18 business, or profession interfering with or inconsistent with
19 his duties, serve on or under any committee of any political
20 party, or contribute to the campaign fund of any person or
21 political party. The director shall be appointed on the basis
22 of his executive and administrative abilities and he shall
23 devote his entire time to the duties of his position.

24 The director shall receive a salary as fixed by the general
25 assembly.

26 Sec. 12. DUTIES OF THE DIRECTOR. The director shall:

27 1. Employ such personnel as are necessary to carry out
28 the duties and responsibilities of the department, subject
29 to the approval of the position by the commission.

30 2. Manage the internal operations of the department.

31 3. Execute the transportation policies adopted by the
32 commission.

33 4. Prepare a budget for the department, subject to the
34 approval of the commission, and prepare such reports as are
35 required by law or as directed by the commission.

1 5. Appoint the deputy director of transportation and the
2 assistant directors to serve as the heads of the various divi-
3 sions of the department.

2 assistant directors to serve as the heads of the various divi-
3 sions of the department.

3 sions of the department.

4 Sec. 13. DIVISIONS OF THE DEPARTMENT. The following
5 divisions are created within the department:

5 divisions are created within the department:

6 1. Division of administration.

7 2. Division of planning.

8 3. Division of aviation.

9 4. Division of highways.

10 5. Division of urban transportation.

11 6. Division of regional transportation.

12 The divisions created pursuant to subsections one (1) and
13 two (2) of this section shall be created as of July 1, 1972.

13 two (2) of this section shall be created as of July 1, 1972.

14 The divisions created pursuant to subsections three (3), four
15 (4), five (5), and six (6) of this section shall be created
16 as of July 1, 1973.

15 (4), five (5), and six (6) of this section shall be created
16 as of July 1, 1973.

16 as of July 1, 1973.

17 Nothing in this section shall restrict the authority of
18 the director in creating new divisions which may be necessary
19 for the proper and efficient operation of the department,
20 subject to the approval of the commission.

18 the director in creating new divisions which may be necessary
19 for the proper and efficient operation of the department,
20 subject to the approval of the commission.

19 for the proper and efficient operation of the department,
20 subject to the approval of the commission.

20 subject to the approval of the commission.

21 Sec. 14. PRORATING DEPARTMENTAL COSTS. The director
22 shall, with the approval of the commission, prorate the costs
23 of the department which will be expended for highways and
24 such costs shall be paid from money appropriated from the
25 road use tax fund. Prorated costs payable from the road use
26 tax fund shall be based upon that portion of the commission's
27 duties related to the construction, maintenance, and
28 supervision of the public highways within the state or for
29 the payment of bonds issued for the construction of public
30 highways and the payment of interest on such bonds.

22 shall, with the approval of the commission, prorate the costs
23 of the department which will be expended for highways and
24 such costs shall be paid from money appropriated from the

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25 road use tax fund. Prorated costs payable from the road use

26 tax fund shall be based upon that portion of the commission's

27 duties related to the construction, maintenance, and

28 supervision of the public highways within the state or for

29 the payment of bonds issued for the construction of public

30 highways and the payment of interest on such bonds.

31 DIVISION II

32 Sec. 15. The provisions of this division shall apply only
33 for the fiscal year commencing July 1, 1972 and ending June
34 30, 1973. This division shall be printed in the session laws
35 only, and shall not be made a part of the permanent Code of

33 for the fiscal year commencing July 1, 1972 and ending June

34 30, 1973. This division shall be printed in the session laws

35 only, and shall not be made a part of the permanent Code of

1 Iowa.

2 Sec. 16. INTERIM DUTIES OF THE COMMISSION AND DIRECTOR.

3 The commission shall commence the development of a transporta-
4 tion policy for the state, to be submitted to the governor
5 and the general assembly, not later than July 1, 1973. During
6 the fiscal year commencing July 1, 1972 and ending June 30,
7 1973, the commission shall file quarterly progress reports
8 with the governor and the general assembly on the development
9 of the state transportation policy.

10 The director shall develop the program and budget for the
11 first operational biennium of the department commencing July
12 1, 1973 and ending June 30, 1975. Such programs and budget
13 shall be submitted to the commission for its approval. The
14 director shall prepare a table of organization for the
15 department and develop operating procedures providing for
16 the internal management of the department.

17 For the fiscal year commencing July 1, 1972, and ending
18 June 30, 1973, the salary of the director shall not exceed
19 thirty-five thousand dollars.

20 The director shall appoint persons qualified and experienced
21 in the fields of management, finance, and planning to assist
22 in organization of the department, subject to the approval
23 of the commission.

24 Nothing in this section shall prohibit the director from
25 drawing upon expertise and personnel of the highway commission
26 and the aeronautics commission or any other public agency.

27 Sec. 17. INFORMATION AND ASSISTANCE. The commission may
28 call upon the highway commission and the aeronautics commis-
29 sion for such information and assistance as may be needed
30 in the performance of its duties and the highway commission
31 and aeronautics commission shall furnish such assistance,
32 information, and cooperation insofar as the same shall be
33 within the resources and authority of the highway commission
34 and aeronautics commission.

35 All personnel which are employed by the Iowa state highway

1 commission or the aeronautics commission and render services
2 for the department shall remain employees of the Iowa state
3 highway commission or the aeronautics commission and shall
4 receive compensation for services rendered from the Iowa state
5 highway commission or the aeronautics commission from funds
6 appropriated to such agencies.

7 Sec. 18. LOCATION OF OFFICES. The Iowa state highway
8 commission shall furnish sufficient office space for the use
9 of the department of transportation at Ames, Iowa.

10 DIVISION III

11 Sec. 19. APPROPRIATION.

12 1. There is appropriated from the general fund of the
13 state for the fiscal year beginning July 1, 1972, and ending
14 June 30, 1973, to the department of transportation the sum
15 of eight thousand fifty (8,050) dollars, or so much thereof
16 as may be necessary, for salaries, support, maintenance, and
17 miscellaneous purposes of the department of transportation.

18 2. There is appropriated from the road use tax fund for
19 the fiscal year beginning July 1, 1972, and ending June 30,
20 1973, the sum of one hundred fifty-two thousand nine hundred
21 fifty (152,950) dollars to the department of transportation,
22 or so much thereof as may be necessary, for salaries, support,
23 maintenance, and miscellaneous highway-related purposes.

24 3. The director and the commission may obtain federal
25 grants for the state to be used by the department and the
26 director may accept funds from other agencies to be used by
27 the department. However, federal funds obtained for use by
28 the department shall be in lieu of and not in addition to
29 any funds appropriated under the provisions of this section.

30 4. An amount of such funds not to exceed eight thousand
31 fifty (8,050) dollars shall be paid into the general fund
32 of the state and such additional federal funds received shall
33 be paid into the road use tax fund.

34 EXPLANATION

35 The bill creates a state department of transportation which

1 shall be responsible for all transportation planning and
2 development in the state.

3 Section 4 provides for the appointment of seven persons
4 to the Transportation Commission. The Governor shall appoint
5 the members of the commission, subject to confirmation by
6 the Senate, for a term of four years, except that the original
7 appointees shall have staggered terms. Section 4 provides
8 that present members of the Aeronautics Commission and the
9 Highway Commission may be appointed to the Transportation
10 Commission and that these persons may serve on the Transpor-
11 tation Commission and the Highway Commission or Aeronautics
12 Commission at the same time. It also provides that these
13 persons may receive the salary or per diem allowed to members
14 of the Highway Commission and the Aeronautics Commission when
15 performing duties for the respective commissions.

16 Section 6 provides that the salary of the transportation
17 commission members shall be established by the General Assem-
18 bly, except that members of the Transportation Commission
19 shall receive no salary during the fiscal year beginning July
20 1, 1972 and ending June 30, 1973, but shall be reimbursed
21 for expenses actually incurred in the performance of their
22 official duties.

23 The Commission is responsible for developing transportation
24 policies for the state. Section 10 provides that the Transpor-
25 tation Commission shall assume the duties of the Iowa State
26 Highway Commission and the Aeronautics Commission, effective
27 July 1, 1973. The Commission also appoints the Director of
28 Transportation.

29 The Director of Transportation is to be selected on the
30 basis of his administrative experience and ability. The
31 Director's primary responsibility is the internal management
32 of the department.

33 Section 13 creates six divisions within the department.
34 The divisions of administration and planning are created at
35 the time of the creation of the department. The divisions

1 of aeronautics, highways, urban transportation, and regional
2 transportation are created effective July 1, 1973. The divi-
3 sion of aeronautics will assume the responsibilities of the
4 Aeronautics Commission and the division of highways will
5 assume the responsibilities of the Iowa State Highway
6 Commission.

7 Section 14 provides for the prorating of the department's
8 costs relative to highways and provides further for the funding
9 of these costs from the Road Use Tax Fund.

10 Section 16 lists the duties of the Commission and the
11 Director during the one-year preoperational period.

12 Section 17 provides that the Highway Commission and
13 Aeronautics Commission shall provide assistance to the Com-
14 mission and the Director.

15 Section 18 provides that the Highway Commission shall pro-
16 vide office space for the Director at Ames.

17 Section 19 appropriates \$161,000 for the Department. Of
18 this amount, \$8,050 is appropriated from the general fund
19 and \$152,950 from the Road Use Tax Fund. It also provides
20 that the Director and Commission shall try to obtain federal
21 funds and that any assistance received shall be in lieu of
22 moneys appropriated and not in addition to these moneys.
23 The bill additionally provides that of federal funds obtained,
24 the general fund shall be reimbursed up to \$8,050 and all
25 additional funds received shall be paid into the Road Use
26 Tax Fund.

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LSB3150CF
bk/cc/1

To exempt capitalized industrial equipment and materials from retail sales and use taxes. Senate File 166 and House File 459 sponsored by Walsh in the Senate and Lawson in the House.

Status: SF 166 has not yet come out of the Senate Ways & Means Committee. HF 459 was introduced in the House, but was referred to House Ways & Means Committee on March 22, 1971. It is still there.

Arguments:

Pro --

1. This tax situation currently discourages companies from bringing capital investments into the state, both for new plants and existing industry.
2. Of the nearby states, Missouri and Michigan exempt such equipment and materials from sales and use tax. A total of 24 other states also have this exemption.
3. Sales and Use tax applied on these investments is a one-time tax that tries to gain an amount of revenue without regard to future effects on potentially much greater revenue from other taxes.
4. Specific companies such as General Motors have cited this tax on capital investment as the reason for not locating facilities in Iowa.

Con --

1. Passage of these bills into law would result in a short-term loss of revenue that may otherwise have been expected.
2. Even though the benefits to the general public are great from industrial development, some would consider this to be special interest legislation.

FILED FEB 4 1971

SENATE FILE

166

By WALSH

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____

Nays _____

Vote: Ayes _____

Nays _____

Approved _____

A BILL FOR

1 An Act to exempt certain industrial materials and equipment
2 from retail sales and use taxes.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4 Section 1. Section four hundred twenty-two point forty-five
5 (422.45), Code 1971, is amended by adding the following new
6 subsection:

7 "The gross receipts from the sale of any industrial material
8 and equipment, the sales price of which is depreciated in
9 accordance with generally recognized accounting standards, and
10 which is directly used in the actual fabricating, compounding,
11 manufacturing, or servicing of tangible personal property
12 intended to be sold ultimately at retail, including gas,
13 electricity, and water when furnished or delivered to consumers
14 or users within this state. When the user withdraws the
15 industrial material and equipment from inventory for use in
16 the manufacturing process or servicing, a credit shall be
17 allowed for the amount of any retail sales tax paid under this
18 chapter or use tax paid under chapter four hundred twenty-three
19 (423) of the Code."

EXPLANATION

20
21 This bill exempts the purchase price of industrial materials
22 and equipment which is capitalized from the retail sales and
23 use taxes.
24

25
LSB 622

MAR 22 1971

HOUSE FILE 459

and Means

By LAWSON
(Walsh)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to exempt certain industrial materials and equipment
2 from retail sales and use taxes.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4 Section 1. Section four hundred twenty-two point forty-five
5 (422.45), Code 1971, is amended by adding the following new
6 subsection:

7 "The gross receipts from the sale of any industrial material
8 and equipment, the sales price of which is depreciated in
9 accordance with generally recognized accounting standards, and
10 which is directly used in the actual fabricating, compounding,
11 manufacturing, or servicing of tangible personal property
12 intended to be sold ultimately at retail, including gas,
13 electricity, and water when furnished or delivered to consumers
14 or users within this state. When the user withdraws the
15 industrial material and equipment from inventory for use in
16 the manufacturing process or servicing, a credit shall be
17 allowed for the amount of any retail sales tax paid under this
18 chapter or use tax paid under chapter four hundred twenty-three
19 (423) of the Code."

20 EXPLANATION

21 This bill exempts the purchase price of industrial materials
22 and equipment which are capitalized from the retail sales and
23 use taxes.

24

25

LSB 1394

Exempt Raw Materials Native to Iowa from Inventory (personal property) Tax --
Chapter 428 - Code of Iowa

Status: This has not been written up in a bill to be presented. It is merely a recommendation. At this time it does not seem likely that any action will be taken this session.

This bill would have its greatest potential in its effect on our future growth in the food processing industries. The benefits would be far reaching, eventually even to the farmer.

Thirty-six states exempt raw materials used in manufacturing, including Illinois, Indiana, Michigan, South Dakota, Wisconsin, Missouri, and Nebraska. Iowa is not competitive with states surrounding Iowa in this respect as an incentive to new industry.

This could lead to increased "Value Added" in Iowa by keeping native raw materials in Iowa for further processing.

Opponents could argue, again, that this is special interest legislation, that it benefits big business or that it would lead to a loss of revenue at a time when we are looking for new sources of revenue.

More evidence is needed to indicate the losses to revenue from this exemption as opposed to the gains from possible new and increased activity in the food processing area.

To exempt expenditures for water and air pollution control from sales tax, use tax, and property tax. House File 305 would exempt from sales & use tax. House File 309 would exempt from property tax. Senate File 195 would exempt from sales & use tax.

Status: HF 305 was introduced in 1971 session but on February 19 was referred back to the House Ways & Means Committee. HF 309 was also introduced and referred back on February 23. Both bills remain in committee. SF 195 has never come out of the Senate Ways & Means Committee.

Arguments:

Pro --

1. The nearby states of Illinois, Indiana, Michigan, and Minnesota currently allow this exemption. 25 other states also have passed similar laws.
2. Because the nature of such equipment is not income-producing, the taxes on it, in addition to the initial expenditure, retard the economic health and growth of long-time industrial citizens of the state as well as discourage new locations and expansions.
3. Taxes on pollution control equipment run counter to the stated aims of individuals and groups who work for a better environment.

Con --

1. A short-term loss of revenue would occur that might otherwise be expected. If the law were made retroactive to cover expenditures already made by some firms, the state would have to provide some amount in refund of taxes already paid.

FEB 19 1971

HOUSE FILE 305

Ways and Means

By WINKELMAN, ROORDA, TIEDEN,
MOLLETT, SORG, NIELSEN,
STANLEY, STRAND, CURTIS,
and KELLY
(Walsh, Davis, Griffin,
Arbuckle, and Curran)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to provide for sales and use tax exemptions on expen-
2 ditures for air and water pollution control.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4 Section 1. Section four hundred twenty-two point forty-
5 five (422.45), Code 1971, is amended by adding the following
6 new subsection:

7 "The gross receipts from the sale of tangible personal
8 property purchased for use or services rendered, furnished,
9 or performed primarily to control or abate the pollution of
10 any waters or air of this state or to enhance the quality of
11 any waters or air of the state, if the taxpayer or user shall
12 at the time of the sale of tangible personal property or services
13 rendered, furnished, or performed submit a certificate of
14 necessity issued by the commissioner of public health which states
15 that the Iowa air pollution control commission or the Iowa water
16 pollution control commission has directed the state department
17 of health to certify that the expenditures are necessary to
18 control or abate pollution and that the expenditures enhance the
19 quality of any waters or air of the state. A certificate of
20 necessity shall be issued only for pollution control devices,

1 structures, facilities or expenditures for which a permit is
2 issued under subsection six (6) of section four hundred fifty-
3 five B point nine (455B.9) of the Code, or subsection seven (7)
4 of section one hundred thirty-six B point five (136B.5) of the
5 Code. When the retailer accepts in good faith a certificate
6 of necessity at the time of making the sale, the retailer shall
7 attach the certificate to his return filed with the department
8 of revenue and shall be relieved from submitting the sales tax
9 upon the purchase price of the tangible personal property sold
10 or services rendered, furnished, or performed. For the purposes
11 of this subsection, 'pollution' means air pollution as defined
12 in section one hundred thirty-six B point two (136B.2) of the
13 Code, or water pollution as defined in section four hundred
14 fifty-five B point two (455B.2) of the Code. 'Waters of the
15 state' means waters of the state as defined in section four
16 hundred fifty-five B point two (455B.2) of the Code. 'Enhance
17 the quality' means to diminish the level of pollutants to a
18 point equal to or below the air or water quality standards
19 established by the Iowa water pollution control commission
20 or the Iowa air pollution control commission."

21 EXPLANATION

22 The purpose of this bill is to improve the quality of Iowa's
23 environment and to encourage and expedite expenditures for com-
24 bating air and water pollution by allowing sales and use tax
25 exemptions for such expenditures.

HF 332 -- to broaden the use by municipalities of industrial revenue bond financing to include such additional areas as warehouses, grain terminals, airport facilities, sport facilities, convention facilities, and others. The bill also adds a provision to handle defaults by the lessee.

Status: Introduced during the 1971 session but referred back to the House Committee on Cities and Towns on February 25. It is still there.

Note: This bill does not extend the authority to issue industrial revenue bonds beyond municipalities. Counties are not included.

FEB 25 1971

HOUSE FILE 332

Cities and Towns

By HOLDEN, PELTON, LAWSON,
DRAKE, and ELLSWORTH

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to municipal support of trade or business
2 projects.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section four hundred nineteen point one (419.1),
2 subsection two (2), Code 1971, is amended as follows:

3 2. "Project" means any land, buildings or improvements,
4 whether or not in existence at the time of issuance of the
5 bonds issued under authority of this chapter, which shall
6 be suitable for the use of any private college or university,
7 whether for the establishment or maintenance of such college
8 or university, or of any industry or industries for the manu-
9 facturing, processing or assembling of any agricultural or
10 manufactured products, even though such processed products
11 may require further treatment before delivery to the ultimate
12 consumer, or any trade or business. "Improve", "improving"
13 and "improvements" shall embrace any real property, personal
14 property or mixed property of any and every kind that can
15 be used or that will be useful in a private college or
16 university enterprise, or in a trade or business, or an
17 industrial enterprise including, without limiting the
18 generality of the foregoing, ~~rights-of-way~~ rights-of-way, roads,
19 streets, sidings, foundations, tanks, structures, pipes, pipe-
20 ~~lines~~ pipelines, reservoirs, utilities, materials, equipment,
21 fixtures, machinery, furniture, furnishings, improvements,
22 instrumentalities and other real, personal or mixed property
23 of every kind, whether above or below ground level.

24 Sec. 2. Section four hundred nineteen point one (419.1),
25 Code 1971, is amended by adding the following new subsection.

26 The term "trade or business" may include:

27 a. Sport facilities, such as baseball and football
28 stadiums, indoor sports arenas, swimming pools, golf courses,
29 ski slopes, and tennis courts.

30 b. Convention or trade show facilities.

31 c. Docks, wharves, mass commuting facilities, parking
32 facilities, or storage facilities directly related to such
33 facilities.

34 d. Industrial parks.

35 e. Warehouses.

1 Sec. 3. Section four hundred nineteen point eleven
2 (419.11), Code 1971, is amended as follows:

3 419.11 TAX EQUIVALENT TO BE PAID--ASSESSMENT PROCEDURE
4 --APPEAL. Any municipality acquiring, purchasing,
5 constructing, reconstructing, improving or extending any
6 industrial buildings, as provided in this chapter, shall
7 annually pay out of the revenue from such industrial buildings
8 to the state of Iowa and to the city, town, school district
9 and any other political subdivision, authorized to levy taxes,
10 a sum equal to the amount of tax, determined by applying the
11 millage rate of the taxing district to the assessed value
12 of the property, which the state, county, city, town, school
13 district or other political subdivision would receive if the
14 property were owned by any private person or corporation,
15 any other statute to the contrary notwithstanding. For
16 purposes of arriving at such tax equivalent, the property
17 shall be valued and assessed by the assessor in whose
18 jurisdiction the property is located, in accordance with
19 chapter 441, but the municipality, the lessee on behalf of
20 the municipality, and such other persons as are authorized
21 by chapter 441 shall be entitled to protest any assessment
22 and take appeals in the same manner as any taxpayer. Such
23 valuations shall be included in any summation of valuations
24 in the taxing district for all purposes known to the law.
25 Income from this source shall be considered under the provi-
26 sions of section 24.3, subsection 1. If and to the extent
27 the proceedings under which the bonds authorized to be issued
28 under the provisions of this chapter so provide, the munici-
29 pality may agree to ~~co-operate~~ cooperate with the lessee of
30 a project in connection with any administrative or judicial
31 proceedings for determining the validity or amount of any
32 such payments and may agree to appoint or designate and reserve
33 the right in and for such lessee to take all action which
34 the municipality may lawfully take in respect of such payments
35 and all matters relating thereto, provided, however, that

1 such lessee shall bear and pay all costs and expenses of the
2 municipality thereby incurred at the request of such lessee
3 or by reason of any such action taken by such lessee in behalf
4 of the municipality. If the lessee defaults in the rental
5 payments or abandons the property, each governmental
6 subdivision which would receive tax revenue for the property
7 if it were owned by a private individual or corporation shall
8 have a tax lien against the property of the lessee for the
9 amount due as the tax equivalent. Any lessee of a project
10 which has paid, as rentals additional to those required to
11 be paid pursuant to section 419.5, the amounts required by
12 the first sentence of this section to be paid by the
13 municipality shall not be required to pay any such taxes to
14 the state or to any such county, city, town, school district
15 or other political subdivision, any other statute to the
16 contrary notwithstanding. This section shall not be applicable
17 to any municipality acquiring, purchasing, constructing,
18 reconstructing, improving, or extending any buildings for
19 the purpose of establishing, maintaining, or assisting any
20 private college or university.

21 EXPLANATION

22 This bill will enlarge the purposes for which municipalities
23 may issue bonds to develop commercial projects. The issuance
24 of such bonds will enable communities to develop new businesses
25 without affecting the general bonding, credit, or taxing power
26 of the municipality.

27 The bill also provides that if the lessee defaults in the
28 rental payments or abandons the property the amount due as
29 the tax equivalent to each governmental subdivision which
30 received taxes from the property prior to acquisition by a
31 municipal corporation for industrial development, shall have
32 a tax lien against the property.

33

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35

4. Revenue Bond Financing for Recreational & Tourism Facilities

Status: This bill was written in 1971 but was not assigned a number. It is in the Conservation Committee.

Arguments:

Proponents state that industrial revenue bonds have been a key contributing factor in industrial growth and expansion. As the interstate system offers more and more opportunities for Iowans to capture the tourist dollar, revenue bonding would provide the low cost capital resources needed to capture this marketing opportunity.

Leisure time activities have become one of the fastest growing industries in the American economic spectrum. If Iowa hopes to capture her share of this rapidly growing industry, the business climate will have to be conducive to development activities.

Iowa has the smallest amount of publicly owned land of any state in the nation. Some impetus is needed to cope with the increasing demand for outdoor recreational facilities. Only 1% of Iowa's land has been set aside for recreational purposes and the state is seriously falling short of meeting current demand, let alone planning for future needs and opportunities. State park attendance was estimated at 11.5 million in 1970 and is projected to be 13.4 million by 1975. Existing outdoor recreational facilities are used almost exclusively by Iowa residents and they are inadequate to serve the growing local demand.

The picturesque areas of rural Iowa that offer outdoor recreational opportunities can also offer job opportunities to local rural residents who desire to remain living near the land. Farming will continue to support fewer people and outdoor recreation opportunities could provide an economic alternative to moving into an already crowded urban center.

Out of state travelers accounted for only 5% of Iowa's total retail business during 1970. We may never have a "tourist state" such as Minnesota or Colorado but we certainly can do better than 5%.

Inasmuch as this is revenue bonding, the act indicates that such bonds shall be payable solely from the revenues of the facility.

AN ACT concerning and relating to the undertaking of revenue producing projects by the issuance of revenue bonds and other obligations therefor, and for service charges to meet the expense thereof, and to be known as the Tourism and Recreation Revenue Bond Law.

BE IT ENACTED by the General Assembly of the State of Iowa:

This act shall be known and may be cited as the "Tourism and Recreation Revenue Bond Law."

The following words or terms as used in this act shall have the following meanings unless a different meaning clearly appears from the context:

"Commission" means the Iowa Conservation Commission;

"Bonds" mean bonds of the Commission authorized or issued pursuant to this act;

"Resolution" means a resolution formally passed by the Commission authorizing the issuance of revenue bonds.

"Facility" means any real or personal property, structure, undertaking, improvement, system, or facility acquired, constructed or operated or to be acquired, constructed or operated by the Commission for public use and with respect to which it may collect service charges or from which it may derive revenues;

Authority is hereby authorized to issue at one time, or from time to time, revenue bonds for the purpose of acquiring, purchasing, constructing, reconstructing, improving or extending and acquiring necessary land or equipment for the purpose of recreation and tourism facilities. The bonds of each issue shall be dated, shall mature at such time or times not exceeding 50 years from their date or dates, and shall bear interest at such rate or rates not exceeding the current marketable percentage per annum as may be determined by the Commission and may be made redeemable before maturity at the option of the Commission at such price or prices and under such terms and conditions as may be fixed by the Commission prior to the issuance of the bonds. The Commission shall determine the form of the bonds including any interest coupons to be attached thereto and the manner of execution of the bonds and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest which may be at any bank or trust company within or without the State of Iowa. In case any officer, his signature, or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he

had remained an officer until such delivery. Notwithstanding any of the other provisions of this act or any recitals in any bonds issued under the provisions of this act, all such bonds shall be deemed to be negotiable instruments under the laws of the State of Iowa. The bonds may be issued in coupon or registered form or both as the Commission may determine and provisions may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest and for the reconversion into coupon bonds of any bonds registered as to both principal and interest.

The Commission may sell such bonds in such manner, either at public or private sale, and for such price as it may determine to be for the best interests of the Commission. But no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than the marketable interest per year now computed with relation to the absolute maturity or maturities of the bonds in accordance with standard tables of bond values excluding, however, from such computation the amount of any premium to be paid on redemption of any bonds prior to maturity.

The resolution providing for the issuance of revenue bonds and any trust agreement securing such bonds may also contain such limitations upon the issuance of additional revenue bonds as the Commission may deem proper and such additional bonds

shall be issued under such restrictions and limitations as may be prescribed by such resolution or trust agreement.

Bonds may be issued under the provisions of this act without obtaining the consent of any commission, board, bureau, or agency of the State of Iowa or any political subdivision and without any other proceedings or the happening of other conditions or things than those proceedings, conditions, or things which are specifically required by this act.

Bonds issued under the provisions of this act shall not be deemed to constitute a debt of the State of Iowa or any political subdivision of the State or a pledge of the faith and credit of the State or of any political subdivision of the State. But such bonds shall be payable solely from revenues of the facility as provided herein.

COMMUNITY IMPROVEMENT DISTRICT BILL

The C.I.D. concept of construction of public improvements presents advantages as follows:

1. Encourages development of new subdivisions by making the financing of the public improvements (sewer, paving, water, gas, electricity, and recreational facilities) available to the developers without the high capital previously required when the developer had to pay for said improvements himself and then recover the cost through his sales in the area.
2. Permits the orderly growth of suburban areas by insuring that all public improvements conform to the standards established by the adjoining city maintaining zoning jurisdiction over the proposed subdivision (if the zoning jurisdiction of towns and cities extends from one to three miles beyond city limits as is the case in Nebraska.)
3. Permits residents of new subdivisions the benefit of paying the general obligation portion of their public improvements over an extended period of time by means of municipal bond issues as is now the case for residents of incorporated towns and cities. This reduces the cash down payment on homes, as well as the size of the mortgage required on new homes, thus encouraging the purchase and construction of new homes.
4. Increases in home building resulting from the C.I.D. approach will increase the taxable valuation of the area benefitting overlapping municipal governments, i.e. schools, counties, fire districts, etc.
5. Upon substantial completion of development of subdivisions, adjoining cities and towns may annex the C.I.D., thereby, increasing their taxable valuation and populations. It also insures that all public improvements will be of specifications established by said cities and towns, and eliminates the need for the annexing community to construct additional improvements in the area subsequent to annexation.

6. Results in substantial increases in payrolls and employment in the area by providing many jobs in the home building industry, as well as engineers and contractors engaged in design and construction of public works type of improvements. (Home building contractors, engineers, and especially unions, should be more aware of this advantageous point more than others, and should lend all-out support for passage of the enabling legislation.)
7. Statutory requirements for public bids on the construction of the public improvements and the required inspection and approval of each construction project by qualified personnel will result in insuring that the improvements will be of a permanent and lasting nature. This should prevent the second-rate, cheaper type of work and material which can result when a developer is paying for such improvements himself, which encourages short cuts, inferior materials and construction standards in an attempt to reduce his cost outlay.
8. Insures that parks and recreation facilities will be available in new areas. It also insures that costs for acquisition of land for recreational purposes can be reduced by acquiring these areas prior to the substantial increase in property values resulting from the build-up of the area.

FILED JAN 27 1972

SENATE FILE 1062

By GRIFFIN, SR.

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to community improvement districts, and
2 providing powers to issue bonds and levy taxes, with
3 penalties.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. As used in this Act, unless the context requires
2 otherwise:

3 1. "Owner" means a person who owns real property within
4 the limits of a proposed or established community improvement
5 district, or area proposed to be annexed to a community
6 improvement district, as shown by the transfer books in the
7 office of the county auditor of the county in which the real
8 property is located.

9 2. "Person" has the same meaning as provided in section
10 four point one (4.1), subsection thirteen (13), of the Code.

11 3. "Board" means the board of trustees of a community
12 improvement district, established as provided in this Act.

13 Sec. 2. PURPOSES. A community improvement district may
14 be formed as provided in this Act, including contiguous land
15 in one or more counties in this state but not including land
16 within a city or town, for the purpose of providing for the
17 establishment, improvement, maintenance, or operation of any
18 of the following:

- 19 1. A sanitary or storm sewer system.
20 2. A water supply system.
21 3. Streets, sidewalks, curbing, and gutters.
22 4. Parks and recreation facilities.

23 Sec. 3. ARTICLES OF ASSOCIATION. To establish a community
24 improvement district, a majority of the owners shall make
25 and sign articles of association which must include all of
26 the following:

- 27 1. The name of the proposed district.
28 2. That the proposed district will have perpetual
29 existence.
30 3. The territorial limits of the proposed district.
31 4. The names and places of residence of the owners.
32 5. A description of the real property in the proposed
33 district owned by those persons who sign the articles of
34 association.
35 6. The names of the owners and description of the real

1 property in the proposed district owned by persons who do
2 not sign the articles of association but who will be benefited
3 by the proposed district. Unknown owners may also be set
4 out in the articles.

5 7. That the owners who sign the articles obligate them-
6 selves to pay the taxes which are levied against all taxable
7 property in the district, and to pay special assessments
8 against specially benefited property which are assessed against
9 them.

10 8. The names of five or more owners to serve as a board
11 until their successors are elected and qualify.

12 Sec. 4. PETITION IN DISTRICT COURT. The owners shall
13 file the signed articles, with a petition asking that the
14 community improvement district be established and declared
15 to be a public corporation, in the office of the clerk of
16 the district court for the county in which the proposed
17 community improvement district is located, or if the district
18 is composed of land in two or more counties, in the office
19 of the clerk of the district court for the county in which
20 the greater portion of the proposed district is located.

21 Sec. 5. NOTICE TO OWNERS. Immediately after the petition
22 and articles of association have been filed, the clerk of
23 the district court shall give original notice by personal
24 service as provided in the rules of civil procedure, directed
25 to the owners who have not signed the articles of association.
26 If any owners are unknown or are nonresidents, the clerk shall
27 give original notice to them by publication as provided in
28 the rules of civil procedure. The notice must state:

29 1. That a petition is on file asking that a community
30 improvement district be established and declared to be a
31 public corporation.

32 2. That the articles of association are on file.

33 3. The purpose of the proposed district.

34 4. A description of the real property in the proposed
35 district, and a statement that the property will be affected

1 and rendered liable to taxation and special assessment for
2 the purpose of installing and maintaining improvements.

3 5. The names of the proposed trustees.

4 6. The time and place for filing an answer to the petition.

5 Sec. 6. OBJECTIONS. Owners who have not signed the
6 articles of association and who object to the organization
7 of the district, or to any of the proposed trustees, may file
8 their objections in writing, on or before the time in which
9 an answer is required, stating why the community improvement
10 district should not be organized and declared a public
11 corporation in this state, why their property will not be
12 benefited by the proposed improvements, why their property
13 should not be included within the limits of the proposed
14 district, and their objections to any of the proposed trustees.
15 A tract of twenty acres or more which is used primarily for
16 industrial purposes may not be included in a community
17 improvement district without the written consent of the owner.

18 Sec. 7. HEARING. The district court shall hear the peti-
19 tion and objections without unnecessary delay. If the court
20 determines that formation of the community improvement dis-
21 trict will be conducive to the public health, convenience,
22 or welfare, the court shall declare the community improvement
23 district a public corporation of this state and shall declare
24 five of the trustees nominated, or in case of objection to
25 the proposed trustees, may declare other suitable persons
26 who are owners to serve as trustees until their successors
27 are elected and qualify. If any owners satisfy the court
28 that their property will not be benefited by the proposed
29 district, the court may exclude the property which will not
30 be benefited and declare the remainder of the district a
31 public corporation.

32 Sec. 8. FILING AND RECORDING. Within twenty days after
33 the community improvement district has been declared a public
34 corporation by the district court, the clerk of the court
35 shall transmit to the secretary of state a certified copy

1 of the record which the secretary of state shall file in his
2 office and in the office of the county recorder in the same
3 manner as articles of incorporation are required to be filed
4 under section four hundred ninety-six A point fifty (496A.50)
5 of the Code. The clerk of the court shall also file a copy
6 of the record, together with a plat of the district, in the
7 office of the clerk of the district court of any other county
8 in which any part of the district is situated.

9 Sec. 9. GENERAL POWERS. A community improvement district
10 is a body corporate and politic and may take and hold real
11 and personal property necessary for its use, make contracts
12 with any person as necessary to carry out its purposes, sue
13 and be sued, have and use a corporate seal, and exercise any
14 and all other powers, as a corporation, necessary to carry
15 out its corporate purposes. Any statement of specific powers
16 of a community improvement district does not limit its general
17 powers as stated in this section.

18 A community improvement district may acquire by purchase,
19 condemnation, or otherwise, real or personal property, right-
20 of-way, and privilege, within or without its corporate limits,
21 as necessary for its corporate purposes.

22 When the board determines to make an improvement which
23 requires that private property be taken or damaged, the
24 district may exercise the power of condemnation. The power
25 to condemn property must be exercised in the manner set forth
26 in chapter four hundred seventy-two (472) of the Code.

27 When it is necessary in making an improvement to enter
28 upon or cross any state or public lands, the district may
29 acquire a right-of-way across the lands by the exercise of
30 the power of condemnation.

31 Sec. 10. DUTIES AND POWERS OF BOARD. Within thirty days
32 after the district court has declared the community improve-
33 ment district to be a public corporation, the trustees
34 appointed by the court shall meet and elect one of their
35 number chairman and one of their number clerk of the board.

1 The board shall keep a record of all of its proceedings, which
2 must be open to inspection by all owners. The board may
3 exercise all powers of the corporation necessary to carry
4 out its purposes, including, but not limited to, the following:

5 1. Make all necessary orders, rules, and regulations for
6 the conduct of its business and to carry into effect the
7 purposes of the district.

8 2. Appoint, employ, and pay an engineer, or firm of
9 engineers, an attorney, and clerical help as needed, each
10 of whom are removable at the pleasure of the board.

11 3. Pay the clerk of the board a salary not to exceed six
12 hundred dollars per year.

13 4. Pay each trustee three dollars for each meeting of
14 the board which he attends.

15 Sec. 11. BOND OF TRUSTEES. Each trustee shall, prior
16 to beginning his term of office, execute and file, with the
17 clerk of the district court in which the district was
18 established, his bond with one or more sureties to be approved
19 by the clerk of the district court, running to the state of
20 Iowa in the penal sum of one thousand dollars, conditioned
21 for the faithful performance by the trustee of his official
22 duties and the faithful accounting by him for all funds and
23 property of the district that come into his possession or
24 control during his term of office. The board may pay the
25 premiums on trustees' bonds out of the funds of the district.
26 Suit may be brought on the bonds of trustees by any person
27 who has sustained loss or damage in consequent of a breach
28 of duty by a trustee.

29 Sec. 12. ELECTION OF TRUSTEES. At a time designated by
30 the board, which shall not be more than twelve months after
31 the judgment of the district court creating the community
32 improvement district, and each two years thereafter, the board
33 shall hold an election in the district for the purpose of
34 electing five owners to serve as the new board. The board
35 shall conduct the election at a location within the boundaries

1 of the district, unless there is no building within the
2 district or all owners consent to the use of a location outside
3 of the district, and the polling place must be open to the
4 voters for not less than four consecutive hours between eight
5 a.m. and eight p.m. on the date of the election. The clerk
6 of the board shall give written notice of the election to
7 each owner, mailed to the owner's last known post office
8 address, at least fifteen days prior to the election. The
9 notice shall state the time, place, and purpose of the
10 election. An owner may cast one vote for each trustee, for
11 each acre of unplatted land or fraction thereof, and one vote
12 for each platted lot, which he owns in the district either
13 entirely in his own right or jointly with others. The
14 executor, administrator, guardian, or trustee of any owner
15 may register the owner's vote. If two or more persons claim
16 the right to vote on the same tract, the board shall determine
17 the one entitled to vote. After the election, the board shall
18 select one of its number chairman and one of its number clerk.
19 In case of a vacancy on the board, the remaining trustees
20 shall select a person to fill the vacancy until the next
21 election.

22 Sec. 13. GENERAL OBLIGATION BONDS--TAXES. A community
23 improvement district may borrow money for corporate purposes
24 and issue its general obligation bonds, bearing not more than
25 seven percent interest. If general obligation bonds are
26 issued, the board shall annually certify a tax on all the
27 taxable property in the district sufficient to pay the interest
28 and principal on the bonds, all as provided in chapter seventy-
29 six (76) of the Code. Bonds issued pursuant to this Act must
30 be sold by the board at public sale in the manner prescribed
31 by chapter seventy-five (75) of the Code, except that if the
32 board finds it to be advantageous and in the public interest,
33 the bonds may be sold at private sale without published notice
34 of any kind and without regard to the requirements of chapter
35 seventy-five (75) of the Code, in a manner and upon terms

1 as prescribed by the resolution authorizing the bonds, but
2 the bonds must be sold upon terms of not less than par plus
3 accrued interest. A community improvement district may also
4 certify taxes to pay other expenses of the district, subject
5 to the budget requirements contained in chapter twenty-four
6 (24) of the Code. On or before the first day of August each
7 year, the clerk of the board shall certify the tax to the
8 county auditors and boards of supervisors in the counties
9 in which the district is located, and the county auditors
10 and boards of supervisors shall levy the tax, all as provided
11 in sections four hundred forty-four point one (444.1) through
12 four hundred forty-four point eight (444.8) of the Code.

13 Sec. 14. TREASURER. The county treasurer of the county
14 in which the greater portion of the area of the district is
15 located shall serve as ex officio treasurer of a community
16 improvement district and is responsible for all funds of the
17 district coming into his hands. He shall collect all taxes
18 and special assessments caused to be levied by the district
19 and deposit them in a sinking fund for the payment of principal
20 and interest on any outstanding bonds and for other purposes
21 as specified by the board. The board may authorize the clerk
22 of the board, or appoint an independent agent, to collect
23 connection charges, service charges, and all items other than
24 taxes and funds from sale of bonds and warrants, but all
25 charges and other moneys collected must be remitted to the
26 treasurer at least once each month, to be held in the general
27 fund of the district. The treasurer is not responsible for
28 funds until they are received by him. The treasurer shall
29 disburse the funds of the district only on warrants authorized
30 by the board and signed by the chairman and clerk of the
31 board.

32 Sec. 15. CONTRACTS. A contract for construction work
33 to be done, or materials or equipment to be purchased, the
34 expense of which is more than five hundred dollars, must be
35 let to the lowest responsible bidder upon notice as provided

1 in this section.

2 Before such a contract may be let, the board shall pass
3 a resolution establishing the necessity for the work,
4 materials, or equipment. No work shall be done or contract
5 let until notice to contractors has been published in a
6 newspaper of general circulation in the county in which the
7 greater portion of the area of the district is located. The
8 notice must be published the same day each week for two
9 consecutive weeks and must state the extent of the work
10 proposed, the kinds of material to be bid upon, including
11 all kinds of material mentioned in the resolution, the amount
12 of the engineer's estimate of the cost of the improvement,
13 the time not less than twenty days after the second publication
14 when bids will be received, and the amount of the certified
15 check required to accompany the bids. Each bid must be
16 accompanied in a separate sealed envelope by certified check
17 in the amount named in the notice, which must be not less
18 than five percent of the engineer's total estimate of the
19 cost, and must be made payable to the treasurer of the board
20 as security that the bidder to whom the contract is awarded
21 will enter into a contract to build the improvements in ac-
22 cordance with the notice to contractors and give bond in the
23 sum named in the notice. Checks or bonds accompanying bids
24 not accepted must be returned to the bidders. The work must
25 be done under written contract with the lowest responsible
26 bidder on the work and materials, selected after the bids
27 are opened and in accordance with the requirements of the
28 plans and specifications. The board may reject all bids
29 received and advertise for new bids in accordance with this
30 section, or may negotiate a contract if no bids are received
31 in a public letting.

32 Sec. 16. SPECIAL ASSESSMENTS.

33 1. When the board deems it necessary to build, reconstruct,
34 purchase, or otherwise acquire, or repair an improvement
35 authorized by the purposes of the district, other than the

1 purpose of parks and recreation facilities, it may determine
2 to assess the costs of the improvement, to the extent of
3 special benefits, upon the properties within the district
4 which are specially benefited. To initiate an improvement
5 which will be financed in whole or in part by special
6 assessments, the board shall prepare a resolution of necessity,
7 which states the type and location of the improvement and
8 refers to the plans and specifications for the improvement,
9 which must be made and filed by the engineer employed for
10 the purpose, before the publication of the resolution. The
11 engineer shall also make and file, prior to publication of
12 the resolution, an estimate of the total cost of the proposed
13 improvement. The resolution must also state the estimated
14 cost, the amount which is estimated to be assessed against
15 each lot, and the boundaries of the property which will be
16 specially benefited by the improvement.

17 2. The clerk of the board shall give notice by publication,
18 of a time and place in the county in which the greater portion
19 of the area of the district is located, when the resolution
20 is set for consideration before the board. The clerk shall
21 cause the notice to be published the same day each week for
22 two consecutive weeks in a newspaper of general circulation
23 in the county in which the greater portion of the area of
24 the district is located, and the publication must contain
25 the entire wording of the resolution. The second publication
26 must not be less than five days nor more than two weeks prior
27 to the time set for hearing on the resolution. The clerk
28 shall also send notice of the hearing by certified mail to
29 each owner whose property may be subject to assessment. At
30 the hearing the owners whose property may be subject to
31 assessment for the proposed improvement may appear and make
32 objections. Subject to the provisions of subsection three
33 (3) of this section the board, after hearing objections, may
34 pass the resolution as proposed or as amended.

35 After adoption of the resolution of necessity, the board

1 may order the improvements authorized by the resolution.

2 3. If a petition opposing the resolution, signed by owners
3 representing a majority of the property subject to assessment
4 for the cost of an improvement, is filed with the clerk of
5 the board within three days before the date of the hearing
6 on the resolution, the board shall not pass the resolution.

7 4. After completion of the improvement the engineer shall
8 file with the clerk of the board a certificate of acceptance,
9 which is subject to approval by the board by resolution.

10 The board shall require the engineer to make a complete
11 statement of all costs of the improvement and to file a plat
12 of the specially benefited property in the district and a
13 schedule of the amount proposed to be assessed against each
14 separate piece of specially benefited property in the district,
15 which must be filed with the clerk of the board and with the
16 clerk of the county in which the greater portion of the
17 property to be specially benefited is located, within ten
18 days after date of acceptance of the improvement. The board
19 shall then order the clerk of the board to give notice that
20 the plat and schedule are on file in his office and in the
21 office of the county clerk and that all objections to the
22 plat and schedule or to prior proceedings on account of errors,
23 irregularities, or inequalities, not made in writing and filed
24 with the clerk of the board within twenty days after the
25 second publication of notice, shall be deemed to have been
26 waived. The clerk shall give notice by publication the same
27 day each week for two consecutive weeks in a newspaper of
28 general circulation in the county in which the greater portion
29 of the area of the district is located. The clerk shall also
30 send notice within five days of its first publication, by
31 certified mail to each owner of the specially benefited
32 property proposed to be assessed, stating the amount proposed
33 to be assessed against each lot or parcel of property, the
34 place where objections are to be filed, and the time and place
35 where objections will be considered by the board.

1 5. The board, sitting as a board of adjustment and
2 equalization, shall hold a hearing on the proposed assessment
3 at the time and place specified in the notice, which must
4 be not less than twenty days nor more than thirty days after
5 the date of the second publication, unless the session is
6 adjourned, with provisions for further notice of the
7 adjournment. At the hearing the board shall adjust and
8 equalize the proposed assessment with reference to special
9 benefits resulting from the improvement and the assessment
10 must not exceed the special benefits. Each owner of property
1 specially benefited is entitled to be heard.

2 6. A person aggrieved by the final determination of the
3 board may appeal to the district court within twenty days
4 after the date of the final determination. The court shall
5 hear the case by equitable proceedings, and may increase or
6 reduce the assessments to provide that the assessments are
7 to the full extent of but not in excess of the special
8 benefits.

9 7. After the equalization of special assessments, the
10 board may cause the assessments to be levied by resolution
11 upon all lots or parcels of property within the district which
12 are specially benefited by reason of the improvement. The
13 board must certify the levy within six months after approval
14 of the certificate of acceptance. The assessment must be
15 certified, levied, spread and collected in the same manner
16 as special assessments by cities. Payments must be credited
17 to the person making them, and to the property which is
18 assessed. An assessment may be recertified and releived in
19 the same amount if for any reason the original certification
20 or levy is void or not enforceable.

21 8. A board shall not cause property by law not assessable,
22 or property not included within the property defined in the
23 preliminary resolution, to be assessed for any improvements,
24 and shall not assess property which is not specially benefited.
25 The cost of improvements at the intersection of streets and

1 alleys and opposite property belonging to the United States
2 government, or other property not assessable, may be included
3 with the cost of the rest of the work and may be assessed
4 on the property specially benefited, if the property is
5 specially benefited by the improvement to that extent, or
6 may be paid from available moneys of the district. The cost
7 of the improvements shall draw interest at the rate of six
8 percent per annum from the date of the resolution approving
9 the certificate of acceptance.

10 9. Special assessments are due fifty days after the date
11 of the resolution causing the levy and may be paid within
12 that time without interest, but if not so paid they shall
13 bear interest at the rate of six percent per annum until
14 delinquent. The board shall set the delinquent date and shall
15 determine the number of equal annual installments, not to
16 exceed ten, which become delinquent successively at one-year
17 intervals on the delinquent date. Delinquent installments
18 are subject to the same penalties as general property taxes.
19 If at any time three annual installments of special assessments
20 against a single lot or parcel of property are delinquent
21 and unpaid, all remaining installments against that lot or
22 parcel are delinquent, and the county treasurer shall institute
23 proceedings to collect the total amount in the same manner
24 as general property taxes are collected.

25 Sec. 17. RATES AND CHARGES. The board may establish an
26 initial connection charge to be paid at the time of connection
27 by any person connecting to a sanitary or storm sewer system
28 or a water supply system, and may establish just and equitable
29 rates or charges to be paid to it for connections and the
30 use of any of its facilities by each person whose premises
31 are served. If the service charge is not paid when due, the
32 sum may be recovered by the district in a civil action, or
33 may be certified to the county auditor and county board of
34 supervisors and levied against the premises served, and
35 collected in the same manner as other district taxes are

1 certified and collected. The board may refuse to sell water
2 to a water user who is delinquent over forty-five days in
3 the payment of a connection charge or service charge for sewer
4 or water. Notice of discontinuance of water service must
5 be given by registered mail to the water user.

6 Sec. 18. SEPTIC TANKS. When a sanitary sewer system has
7 been established in a community improvement district, all
8 owners in the district shall connect all dwellings to the
9 system, and shall discontinue the use of septic tanks. The
10 board may institute proceedings in the district court of the
11 county in which the district was established, to enforce the
12 provisions of this section.

13 Sec. 19. SINKING FUND. The treasurer of the board shall
14 hold special assessments and connection charges or service
15 charges collected as a sinking fund for the purpose of paying
16 the cost of the improvement with interest, and shall apply
17 such moneys solely to that purpose to the extent required,
18 but the board may transfer any excess moneys collected to
19 another fund, after fully discharging the purposes of the
20 sinking fund.

21 Sec. 20. IMPROVEMENT BONDS AND WARRANTS. For the purpose
22 of paying the cost of the improvements provided for in this
23 Act, the board, after the improvements have been completed
24 and accepted, may issue improvement bonds payable in not to
25 exceed thirty years and bearing interest at not to exceed
26 seven percent per annum, payable annually, which may either
27 be sold by the district or delivered to the contractor in
28 payment for the work, but in either case for not less than
29 their par value. For the purpose of making partial payments
30 as the work progresses, warrants may be issued by the board
31 upon certificates of the engineer in charge showing the amount
32 of work completed and materials necessarily purchased and
33 delivered for the orderly and proper continuation of the
34 project, in a sum not exceeding eighty-five percent of the
35 cost of the project, which warrants must be redeemed and paid

1 upon the sale of the improvement bonds. Warrants draw interest
2 at a rate fixed by the board and endorsed on the warrants,
3 but not to exceed seven percent per annum from date of
4 presentation for payment. Special assessments levied upon
5 property specially benefited by improvements for which
6 improvement bonds are issued shall, when collected, be set
7 aside and constitute a sinking fund for the payment of the
8 interest and principal of the bonds. The board shall cause
9 to be levied annually upon all taxable property in the district
10 a tax which, together with the sinking fund derived from
11 special assessments, is sufficient to meet payments of interest
12 and principal on improvement bonds as they become due.

13 Sec. 21. COURT CONFIRMATION OF IMPROVEMENT BONDS.

14 1. When the board proposes to issue improvement bonds
15 under the provisions of section twenty (20) of this Act, the
16 board shall file in the district court for the county in which
17 the district was established, a petition asking that the
18 proceedings for the issuance of bonds be examined, approved,
19 and confirmed by the court. The petition must set forth the
20 proceedings leading to the issuance and sale of the bonds,
21 and must state generally that the community improvement
22 district was duly organized and that the first board was duly
23 elected. The petition need not state the facts showing the
24 organization of the community improvement district or the
25 appointment of the first board.

26 2. The district court shall fix a time for hearing the
27 petition, and shall order the clerk of the district court
28 to publish notice of the filing of the petition, as provided
29 for publication of original notice in the rules of civil
30 procedure. The notice shall state the time and place fixed
31 for the hearing of the petition, not sooner than twenty days
32 following the third publication, a brief statement of the
33 purpose of the petition, and that any person interested in
34 the organization of the district or in the proceedings for
35 the issuance or sale of the bonds may, on or before the day

1 fixed for the hearing of the petition, move to dismiss the
2 petition or file an answer. The rules of civil procedure
3 are applicable to all proceedings on the petition.

4 3. Upon the hearing on the petition, the district court
5 may examine and determine the legality and validity of, and
6 approve and confirm or disapprove and disaffirm each and all
7 of the proceedings for the organization of the district
8 including the petition for the organization of the district,
9 and all other proceedings which may affect the legality or
10 validity of the bonds and the order for sale and the sale
11 of the bonds. The court when inquiring into the regularity,
12 legality, or correctness of the proceedings, shall disregard
13 any error, irregularity, or omission which does not affect
14 the substantial rights of the parties to the special
15 proceedings. It may approve and confirm the proceedings in
16 part and disapprove and declare illegal or invalid other and
17 subsequent parts of the proceedings. The court shall find
18 and determine whether the notice of the filing of the petition
19 has been duly given and published for the time and in the
20 manner prescribed in subsection two (2) of this section.
21 The costs of the special proceedings may be allowed and
22 apportioned between the parties in the discretion of the
23 court. If the court determines that the proceedings for the
24 organization of the district and for the voting and issuing
25 of the bonds are legal and valid, the board shall prepare
26 a written statement beginning with the filing of the petition
27 for the organization of the district, including all subsequent
28 proceedings for the organization of the district and voting
29 and issuing of the bonds, and ending with the decree of the
30 court finding the proceedings for the organization of the
31 district and the proceedings for the voting and issuing of
32 the bonds legal and valid, and shall present the written
33 statement and the bonds to the auditor of state. The written
34 statement shall be certified under oath by the clerk of the
35 board, and the auditor of state shall examine the statements

1 and the bonds submitted to him and if he is satisfied that
2 the bonds have been voted in conformity to law and are in
3 all respects in due form, he shall record the statement and
4 register the bonds in his office. The board shall not issue
5 bonds, and bonds are not valid unless they are registered
6 and have endorsed thereon a certificate of the auditor of
7 state showing that the bonds are issued pursuant to law, based
8 upon the data filed in the office of the auditor of state.

9 Sec. 22. ANNEXATION. If a community improvement district,
10 or any part of it, is annexed by a city or town, the city
11 or town shall assume and pay the bonds and other obligations
12 of the district, or the part of it which is annexed,
13 outstanding at the time of annexation, and the board shall
14 transfer to the city or town all assets of the district, or
15 of the part of it which is annexed. If an entire district
16 is annexed, the district is dissolved on the effective date
17 of the annexation, and the board shall file a statement of
18 the facts causing the dissolution with the secretary of state,
19 the auditor of state, and the county recorder of the county
20 where the district was established.

21 Sec. 23. CHANGE IN BOUNDARY.

22 1. The district may be enlarged and additional territory
23 annexed to the district by either of the following methods:

24 a. By petitions signed by the owners of all real property
25 to be annexed to the district. If a petition requesting
26 annexation is presented to the board and approved by it, the
27 clerk of the board shall certify the change in the boundaries
28 to include the additional area to the clerk of the district
29 court of the county in which the district was established
30 and the district shall then include the area annexed.

31 b. By a petition filed with the clerk of the board, signed
32 by the owners of not less than fifty percent of the real
33 property to be annexed, but not signed by all owners of real
34 property to be annexed. On the filing of the petition, the
35 board shall fix a time and place for a hearing and the clerk

1 of the board shall give notice of the hearing by certified
2 mail to all owners, not less than ten days prior to the date
3 of the hearing, if the address of the owners is known or can
4 be ascertained by reasonable diligence. The clerk shall also
5 publish notice the same day each week for two consecutive
6 weeks in a newspaper of general circulation in the area
7 proposed to be annexed, the second publication to be not less
8 than five days nor more than two weeks prior to the time
9 set for the hearing. At the hearing, any owner within the
10 area proposed to be annexed, or any person who is an owner
11 or resides within the district, may appear and be heard.
12 If, after the hearing, the board finds and determines that
13 annexation of the additional area will be conducive to the
14 public health, convenience, and welfare, and will not be an
15 undue burden on the district, the board may, by resolution,
16 annex the additional area and fix the boundary, not to include
17 more than the area requested in the petition. The clerk of
18 the board shall file a copy of the resolution with the clerk
19 of the district court of the county in which the district
20 was established and the district shall then include the area
21 annexed.

22 2. All property annexed to the district is subject to
23 all taxes and other burdens levied by the district after the
24 date of filing the resolution of annexation, regardless of
25 when the obligation for which the taxes or assessments are
26 levied was incurred.

27 Sec. 24. AMENDMENT TO ARTICLES OF ASSOCIATION. When the
28 board wishes to amend the articles of association of the
29 district to include additional powers authorized by law, it
30 shall first propose a resolution declaring the advisability
31 of the amendment and setting out the proposed amendment, and
32 also setting out the time and place when the board will meet
33 to consider the adoption of the amendment. The clerk of the
34 board shall publish notice of the hearing the same day each
35 week for two consecutive weeks in a newspaper of general

1 circulation in the county where the district was established,
2 which publication shall contain the entire wording of the
3 proposed amendment. The last publication shall be not less
4 than five days nor more than two weeks prior to the time set
5 for the hearing, at which hearing the owners may appear and
6 make objections to the proposed amendment. If the owners
7 representing a majority of the real property within the
8 district fail to sign and present to the board, on or prior
9 to the hearing date, a written petition opposing the
10 resolution, the board may pass the resolution and adopt the
11 proposed amendment to the articles, or amend and pass the
12 amended resolution, and adopt the amendment to the articles
13 as altered. The clerk of the board shall file a certificate
14 with the clerk of the district court of the county in which
15 the district was established and with the secretary of state
16 certifying the amendment to the articles, and upon filing
17 the district shall have all powers included within the articles
18 of association as amended. If, however, a petition opposing
19 the amendment is signed by owners representing a majority
20 of the real property within the district and is presented
21 to the board on or prior to the hearing date, then the board
22 may not adopt the amendments to the articles of association
23 until they have submitted the issue to and received the
24 approval of the district court which had formed the district,
25 in an equitable proceeding where the objecting parties are
26 named as defendants. At the hearing, the court may disapprove
27 the amendment if the court finds that the amendment will not
28 be conducive to the public health, convenience, or welfare,
29 or may approve the proposed amendment as originally submitted
30 or alter and approve it, if the court finds that the amendment
31 as proposed or altered will be conducive to the public health,
32 convenience, or welfare. The rules of civil procedure are
33 applicable to all proceedings on the amendment.

34 Sec. 25. ANNUAL AUDIT. The board shall cause the books
35 of account of the district to be audited by a certified public

1 accountant at the end of each fiscal year of the district,
2 and shall file a copy of the audit with the auditor of state
3 within six months after the end of each fiscal year. The
4 audit shall show for the previous fiscal year all of the
5 following:

- 6 1. Itemized receipts and expenditures.
- 7 2. Description of property purchased and repaired.
- 8 3. The number of employees, their salaries and expenses.
- 9 4. Total taxes caused to be levied by the district.
- 10 5. All other facts necessary to give an accurate and
11 comprehensive statement of the cost of carrying on the
12 activities of the district.

13 If the board of a district does not file its audit with
14 the auditor of state within six months after the end of its
15 fiscal year, the auditor of state shall, after notice to the
16 board, cause the audit to be made and the board shall pay
17 the cost of the audit.

18 EXPLANATION

19 This bill will permit landowners outside of cities and
20 towns to create community improvement districts to provide
21 water, sewer systems, and other improvements listed in section
22 two.

23 The district will be a public corporation managed by a
24 five-member board of trustees. The district may issue general
25 obligation bonds and cause taxes to be levied for their pay-
26 ment.

27 Provisions for levying special assessments on sewer, water,
28 or street projects, and for the issuance of improvement bonds,
29 secured by special assessments, charges, and taxes, are
30 included in the bill.

31 Also included are provisions for annexation of a district
32 by a city or town, annexation of additional property to a
33 district, and a requirement for annual audits.

SENATE FILE 1103
Pros and Cons

PROS:

1. This legislation would enable the Iowa public warehousemen to be in a more competitive position with other states, in that no other state, and especially the states immediately bordering Iowa, imposes such a tax.
2. The exemption of such a tax would allow for additional profits for the public warehousemen in the state and encourage such facilities to develop and provide income through other tax sources.

CONS:

1. Such a tax would align with the special interest group tax and would encourage other special interests to do likewise.
2. The exemption would allow for some loss in revenue to the state. The amount of loss has not been determined.

FEB 9 1972
Ways and Means

HOUSE FILE 1166
By LAWSON, ELLSWORTH, ANDERSEN,
and DRAKE
(Curran, Potter, Erskine,
Nicholson, Kennedy, Thordsen,
and Walsh)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the taxation of income from interstate
2 commerce.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4 Section 1. Section four hundred twenty-two point thirty-
5 four (422.34), Code 1971, is amended by adding the following
6 new subsection:

7 "Foreign corporations which would otherwise qualify under
8 the provisions of Title fifteen (15), sections three hundred
9 eighty-one (381) through three hundred eighty-four (384),
10 inclusive, United States Code, for exemption, whose only other
11 activity in this state is the receipt, storage, and distribu-
12 tion of their products into and through public warehouses
13 in this state."

14 EXPLANATION

15 This bill exempts from Iowa corporate income taxes the
16 net income of foreign corporations exempted from state taxes
17 on net income by Title 15, sections 381-384, of the United
18 States Code, and further exempts a corporation whose only
19 other business activity in this state is restricted to the
20 receipt, storage, and distribution of products into and through
21 public warehouses in the state.

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FEB 9 1972

Ways and Means

HOUSE FILE 1167

By LAWSON, ELLSWORTH, ANDERSEN,
and DRAKE
(Curran, Potter, Erskine,
Nicholson, Kennedy, Thordsen,
and Walsh)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

- 1 An Act relating to the service tax on storage of goods.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 3 Section 1. Section four hundred twenty-two point forty-
- 4 three (422.43), unnumbered paragraph nine (9), Code 1971,
- 5 is amended to read as follows:
- 6 The following enumerated services shall be subject to the
- 7 tax herein imposed on gross taxable services: Alteration
- 8 and garment repair; armored car; automobile repair; battery,
- 9 tire and allied; investment counseling (excluding investment
- 10 services of trust departments); bank service charges; barber
- 11 and beauty; boat repair; car wash and wax; carpentry; roof,
- 12 shingle, and glass repair; dance schools and dance studios;
- 13 dry cleaning, pressing, dyeing, and laundering; electrical
- 14 repair and installation; engraving, photography, and retouch-
- 15 ing; equipment rental; excavating and grading; farm imple-
- 16 ment repair of all kinds; flying service; furniture, rug,
- 17 upholstery repair and cleaning; fur storage and repair; golf
- 18 and country clubs and all commercial recreation; house and
- 19 building moving; household appliance, television, and radio
- 20 repair; jewelry and watch repair; machine operator; machine
- 21 repair of all kinds; motor repair; motorcycle, scooter, and
- 22 bicycle repair; oilers and lubricators; office and business
- 23 machine repair; painting, papering, and interior decorating;
- 24 parking lots; pipe fitting and plumbing; wood preparation;
- 25 private employment agencies; printing and binding; sewing

1 and stitching; shoe repair and shoeshine; storage-warehouse
2 and storage locker; telephone answering service; test lab-
3 oratories; termite, bug, roach, and pest eradicators; tin
4 and sheet metal repair; turkish baths, massage, and reducing
5 salons; vulcanizing, recapping, and retreading; warehouse;
6 weighing; welding; well drilling; wrapping, packing, and
7 packaging of merchandise other than processed meat, fish,
8 fowl and vegetables; wrecking service; wrecker and towing.

9 EXPLANATION

10 This bill removes warehouse storage from the list of ser-
11 vices which are taxable.

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FEB 10 1972
TRANSPORTATION

HOUSE FILE 1173
By WELDEN

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

- 1 An Act to create a state transportation planning commission.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. PUBLIC POLICY. It is the public policy of
2 this state that the general welfare, economic growth, job
3 mobility, convenience, stability, and well-being of the
4 citizens of the state can best be served by a coordinated
5 transportation policy to assure adequate, safe, and efficient
6 transportation facilities and services.

7 Sec. 2. DEFINITIONS. When used in this Act, unless the
8 context otherwise requires:

9 "Commission" means the transportation planning com-
10 mission.

11 Sec. 3. TRANSPORTATION PLANNING COMMISSION. There is
12 created a transportation planning commission which shall
13 consist of the following five members:

14 1. The director of the office for planning and programming,
15 or his designee, who shall serve as chairman.

16 2. One member appointed by the state highway commission.

17 3. One member appointed by the Iowa state commerce
18 commission.

19 4. One member appointed by the Iowa development commission.

20 5. One member appointed by the Iowa aeronautics commission.

21 Sec. 4. COMMISSION MEETINGS. The commission shall meet
22 on July first of each year or as soon thereafter as possible.
23 The commission shall otherwise meet at the call of the chairman
24 or when any three members of the commission file a written
25 request with the chairman asking that a meeting be called.
26 Written notice of each meeting shall be given to each member
27 of the commission. A majority of the commission members shall
28 constitute a quorum.

29 Sec. 5. DUTIES. The commission shall:

30 1. Develop and coordinate a comprehensive transportation
31 policy and plan for the state not later than July 1, 1975,
32 to be submitted to the governor and the general assembly,
33 and to update the transportation policy and plan annually.

34 2. Promote the coordinated and efficient use of all avail-
35 able modes of transportation for the benefit of the state

1 and its citizens.

2 3. Identify the needs of urban and regional transportation
3 facilities and services in the state and develop programs
4 appropriate to meet these needs.

5 4. Identify methods of improving transportation safety
6 in the state and develop programs appropriate to meet these
7 needs.

8 5. Recommend to the governor and the legislature any
9 transfer or consolidation of functions of the departments
10 represented which would increase efficiency or result in a
11 savings.

12 Sec. 6. OPERATION. The director of the office for planning
13 and programming, or his designee, shall be the administrative
14 officer of the commission and the office for planning and
15 programming shall furnish such personnel as are necessary
16 to carry out the duties and responsibilities of the commission.

17 The administrative officer may call upon any of the
18 departments represented on the commission for information
19 and assistance needed in the performance of its duties and
20 the departments shall furnish such assistance, information,
21 and cooperation insofar as the same shall be within their
22 resources and authority.

23 EXPLANATION

24 This Act sets up a transportation planning commission to
25 implement comprehensive transportation planning for the state
26 and also to analyze and recommend transfer and consolidation
27 of functions to effect economies.

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Iowa World Food Expo Pros and Cons

Pros:

1. The Iowa Food Expo should have a considerable financial impact on the economy of the state. Over a billion dollars income is seen for the period up to and including the exposition in 1976. It has been estimated that the state could at least triple its investment for the period including the exposition in '76.
2. Because of the tourist attraction alone the economy of the state would be enhanced by the spending of at least 10 million tourists.
3. The facility, once established, could be used in a number of ways to further the prominence of the state and encourage the utilization of its resources. More specifically, the facility could serve as an agricultural information center for agriculture in the United States and the world. Such a facility could also be a center for agricultural research.
4. While secondary in its importance, this facility could be the center for our annual Iowa State Fair, and during the year the facilities could become a center for all types of expositions and conferences dealing with agriculture.
5. The facility, however, would not of necessity be limited to agricultural interests, but could and should be a center for promoting and developing industrial capabilities within the state, particularly as these relate to the utilization of agricultural products.

Cons:

1. There would be a need for an expenditure of a considerable amount of money to guarantee this exposition.
2. Unless the facilities are properly planned, there is a possibility that because of change facilities would not produce the expected revenues in future years.

SENATE FILE 1143

FILED FEB 11 1972

By COMMITTEE ON IOWA DEVELOPMENT

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act creating an Iowa world exposition authority, and
2 specifying its purposes, powers, and responsibilities.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. As used in this Act, unless the context other-
2 wise requires:

3 1. "Authority" means the Iowa world exposition authority.

4 2. "Director" means the director of the Iowa world exposi-
5 tion authority or his designee.

6 Sec. 2. There is created an Iowa world exposition authority
7 which shall consist of nine members appointed by the governor
8 for six-year terms with the approval of two-thirds of the
9 members of the senate, except that of the initial authority
10 membership, three members shall be appointed for terms of
11 two years, three members shall be appointed for terms of four
12 years, and the remaining three members shall be appointed
13 for terms of six years. Any vacancy occurring during a term
14 of office shall be filled by appointment for the balance of
15 the unexpired term. The term of office of each member shall
16 commence on the first day of July of the year of the
17 appointment, except that the members of the initial authority
18 may assume the duties of their office at an earlier date
19 specified by the governor. The governor shall designate a
20 chairman and vice chairman from the members of the authority.
21 No member shall be appointed to serve more than two consecutive
22 six-year terms.

23 Sec. 3. The authority shall meet at the call of the chair-
24 man or at the request of a majority of its members. A major-
25 ity of the members of the authority shall constitute a quorum
26 and the concurrence of a quorum of the authority shall be
27 required to determine any matter relating to its duties.
28 The members of the authority shall be paid a per diem of
29 thirty dollars and their actual and necessary expenses incurred
30 in the performance of their official duties.

31 Sec. 4. The authority shall plan and establish an Iowa
32 world food exposition in conjunction with the American revo-
33 lution bicentennial commemoration to focus national and inter-
34 national attention on this state and this region of the United
35 States as a food production, processing, and distribution

1 center. The authority shall study the feasibility of estab-
2 lishing a world food research center, a living museum of agri-
3 culture displaying the evolution of farming methods and tech-
4 niques in the United States, a museum of agricultural machinery
5 and equipment, and an international agricultural product
6 marketing center, and organizing an international agricultural
7 youth exchange during the year of the Iowa world food exposi-
8 tion.

9 Within thirty days after the convening of the Sixty-fifth
10 General Assembly, the authority shall submit a plan for the
11 financing, and a schedule for the development, of an Iowa
12 world food exposition to the General Assembly. The report
13 shall also include any recommendations concerning the feasi-
14 bility studies authorized by this section.

15 Sec. 5. In carrying out the provisions of this Act, the
16 authority may:

17 1. Sue and be sued in the same manner as any other agency
18 or commission of the state.

19 2. Make and execute contracts and all other instruments
20 necessary for the exercise of the powers and functions granted
21 under this Act.

22 3. Adopt, amend or repeal rules and regulations for the
23 administration of its duties, and the exercise of its powers
24 subject to chapter seventeen A (17A) of the Code.

25 4. Invest any funds not required for immediate disburse-
26 ment in any investments, except common stocks, which are
27 lawful for the Iowa public employees' retirement system.

28 5. Procure insurance against any loss.

29 6. Acquire, hold, lease and dispose of real or personal
30 property, subject to the approval of the executive council.

31 7. Accept gifts, grants, or other aid from any nation,
32 federal or state agency, political subdivision of this state,
33 or private source and all revenue from the gifts, grants,
34 or other aid is appropriated for use in carrying out the
35 provisions of this Act.

1 8. Establish and collect fees and charges for admission
2 to any project, display, concession, or exhibition established
3 under this Act.

4 9. Enter into contracts, agreements, or other transactions
5 with any nation, international organization, federal or state
6 agency, political subdivision of this state, or with any
7 person or private agency.

8 10. Consent to the modification of any terms of any commit-
9 ment, contract, or agreement to which the authority is a
10 party.

11 11. Construct, reconstruct, remodel, repair or maintain
12 any buildings, roads or other property acquired to accomplish
13 the purposes of this Act, or contract for such services.

14 12. Provide for the leasing of food, amusement, beverage,
15 novelty, or other concessions in connection with the world
16 food exposition.

17 13. Exercise, with the approval of the executive council,
18 the power of eminent domain to acquire real estate for the
19 purposes specified in section four (4) of this Act.

20 14. Establish an advisory board to advise and recommend
21 on any matters relating to the authority's duties.

22 15. Perform any acts necessary and proper to carry out
23 the duties and exercise the powers provided in this Act.

24 Sec. 6. The director of the authority shall be appointed
25 by the authority and he shall serve at its pleasure. The
26 director shall be the chief administrative officer of the
27 authority and shall be selected on the basis of his
28 administrative abilities. The salary of the director shall
29 be determined by the authority with the approval of executive
30 council.

31 Sec. 7. The director shall:

32 1. Administer the plans, programs, and projects established
33 by the authority.

34 2. Appoint the necessary administrative and clerical
35 employees, subject to the approval of the authority. The

1 employees of the authority shall be exempt from the merit
2 system established under chapter nineteen A (19A) of the Code.
3 The salaries of such employees shall be established by the
4 governor with the approval of the executive council as provided
5 in section nineteen A point nine (19A.9), subsection two (2),
6 of the Code.

7 3. Perform other duties assigned by the authority.

8 Sec. 8. There is established in the office of the treasurer
9 of state an Iowa world exposition fund. The following moneys
10 shall be deposited in the fund:

11 1. Any moneys appropriated or available to the authority
12 to carry out the purposes of this Act, including any moneys
13 received from the federal government, other states, nations,
14 or international organizations.

15 2. Any moneys received by the authority for fees and
16 charges.

17 The director of the authority may establish, by accounting
18 procedures, any subsidiary funds which are deemed by the
19 authority to be appropriate, and for this purpose, the
20 authority may obtain the advice and cooperation of the auditor
21 of state, the treasurer of state and the state comptroller.
22 The authority may request the attorney general to provide
23 legal assistance in the form of advice or the assignment of
24 counsel.

25 Sec. 9. The authority shall submit to the governor, the
26 general assembly, the state comptroller, and the auditor of
27 state, within three months after the end of each fiscal year,
28 a complete report setting forth:

29 1. Its operations and accomplishments.

30 2. Its receipts and expenditures.

31 3. Its assets and liabilities at the end of the fiscal
32 year.

33 The auditor of state or his designee shall annually audit
34 all books and records of the authority.

35 Sec. 10. The property and income of the authority shall

1 be exempt from taxation. The authority may negotiate with
2 the internal revenue service for exemption from federal
3 taxation.

4 Sec. 11. No member or employee of the authority, while
5 acting within the scope of his duties, shall be subject to
6 any personal liability resulting from the activities of the
7 authority.

8 Sec. 12. Section eight point six (8.6), subsections six
9 (6) and seven (7), Code 1971, are amended to read as follows:

10 6. PREAUDIT SYSTEM. To establish and fix a reasonable
11 imprest cash fund for each state department and institution
12 for disbursement purposes where needed; provided, that these
13 revolving funds shall be reimbursed only upon vouchers approved
14 by the state comptroller. It is the purpose of this
15 subdivision to establish a preaudit system of settling all
16 claims against the state, but the preaudit system shall not
17 be applicable to the institutions under the control of the
18 state board of regents, to the Iowa world exposition authority,
19 or to the state fair board.

20 7. FAIR BOARD, IOWA WORLD EXPOSITION AUTHORITY AND BOARD
21 OF REGENTS. To control the financial operations of the state
22 fair board, the Iowa world exposition authority, and the
23 institutions under the state board of regents:

24 a. By charging all warrants issued to the respective
25 educational institutions, the Iowa world exposition authority,
26 and the state fair board to an advance account to be further
27 accounted for and not as an expense which requires no further
28 accounting.

29 b. By charging all collections made by the educational
30 institutions, the Iowa world exposition authority, and state
31 fair board to the respective advance accounts of the insti-
32 tutions, the Iowa world exposition authority, and state fair
33 board, and by crediting all such repayment collections to
34 the respective appropriations and special funds.

35 c. By charging all disbursements made to the respective

1 allotment accounts of each educational institution, the Iowa
2 world exposition authority, or state fair board and by
3 crediting all such disbursements to the respective advance
4 and inventory accounts.

5 d. By requiring a monthly abstract of all receipts and
6 of all disbursements, both money and stores, and a complete
7 account-current each month from each educational institution,
8 the Iowa world exposition authority, and the state fair board.

9 EXPLANATION

10 This bill provides for the creation of an Iowa World Expo-
11 sition Authority to plan and establish a World Food Exposition
12 and study the feasibility of establishing a World Food Research
13 Center, a Museum of Agricultural Equipment and Machinery,
14 a World Agricultural Product Marketing Center and a Living
15 Historical Display of the Evolution of American Agricultural
16 Methods and Techniques. The Authority may also study the
17 feasibility of organizing an International Agricultural Youth
18 Exchange to take place during the World Food Exposition.

19 The Authority is authorized to negotiate and contract with
20 other nations, international organizations, the federal govern-
21 ment, and other states concerning the planning and establish-
22 ment of the Exposition and other authorized activities. The
23 Authority is authorized to accept loans, gifts, and grants.

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